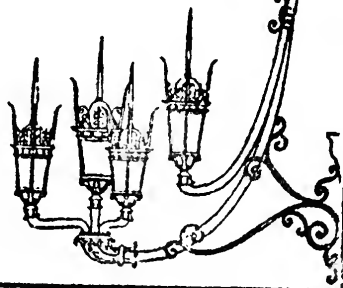


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*Comprehensive Annual  
Financial Report for the*

# City of Boston

Massachusetts



*for the Year Ended  
June 30, 1990*

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CITY OF BOSTON AND COUNTY OF SUFFOLK  
Comprehensive Annual Financial Report



For the Fiscal Year Ended June 30, 1990

Raymond L. Flynn, Mayor

Sally M. Degan

City Auditor

Prepared by

Auditing Department

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# THE CITY OF BOSTON AND COUNTY OF SUFFOLK

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 1990

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# Introductory Section



# INTRODUCTORY SECTION

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City of Boston and County of Suffolk  
Auditing Department



December 21, 1990

*To the Honorable Mayor and  
Members of the City Council:*

I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Boston and County of Suffolk for the fiscal year ended June 30, 1990. This report is designed to present fairly the financial position and results of operations of the various funds and account groups of the City. We included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

The CAFR is presented in three sections: Introductory, Financial and Statistical. The Introductory Section includes this transmittal letter and financial highlights, the organizational chart of the City, and a list of the City's principal officials. The Financial Section includes the general purpose financial statements (GPFS), combining and comparative financial statements, and supporting schedules. The Statistical Section includes data that reflect the financial trends and fiscal capacity of the City, and encompass more than a two fiscal year period. Nonfinancial data has also been included to assist the reader and provide a more complete presentation.

The City is required to undergo an annual single audit to comply with the provisions of the Single Audit Act of 1984. The single audit report is issued separately from the financial report and submitted directly to the U.S. Department of Education, our cognizant agency, other federal departments and agencies who provide grant funds, and departments and agencies of the Commonwealth. Copies are made available to the public upon request.

The preparation of this report has been accomplished through the professional and dedicated effort of the Auditing Department's staff. I wish to express my appreciation to all the staff who contributed to its preparation. I would also like to acknowledge all City departments and divisions for their cooperation and efforts throughout the year.

Finally, I thank you for your continued interest and support in the professional and innovative administration of the City's fiscal operations.

Sincerely,

Sally M. Degan  
City Auditor

## **CITY ORGANIZATION AND ITS SERVICES**

The City of Boston was incorporated as a town in 1630 and as a City in 1822. The City now operates under Chapter 486 of the Acts of 1909 and Chapter 452 of the Acts of 1948 of the Commonwealth of Massachusetts as amended, which constitutes the City's charter.

The Mayor is the chief executive officer of the City, elected by the voters to a four-year term. The Mayor appoints the City Auditor, Collector - Treasurer, Commissioner of Assessing, Director of Administrative Services, Director of the Office of Budget and Program Evaluation, the Director of Capital Planning and other executive department heads. Except for school affairs, the Mayor possesses the executive powers of the City, which are exercised by the boards, commissions, officers and departments of the City under his general supervision and control.

The City Council is the legislative body of the City, which consists of thirteen members serving two-year terms. Of the thirteen members of the City Council, four are elected at large and nine are elected from geographic districts. The School Committee is comprised of thirteen elected members, all of whom are elected for two-year terms, four are elected at large and nine are elected from geographic districts. The School Committee appoints the School Superintendent who is responsible for the day-to-day operations of the School Department.

The City provides a wide range of municipal services. These services include: police and fire protection, schools, public libraries, parks and recreational services, property and development, public health services, planning and zoning and general administrative services. The City government also pays state assessments and fulfills debt service requirements.

The Governmental Accounting Standards Board (GASB) requires that other activities the City has oversight responsibility for be included as part of the reporting entity. These activities include the State-Boston and Boston Retirement Systems, Boston Redevelopment Authority, Trustees of Health and Hospitals, Trustees of the Boston Public Library, and the Economic Development and Industrial Corporation of Boston. The Boston Industrial Development Finance Authority and the Boston Water and Sewer Commission presently do not meet this criteria and were not included in this report.

## **ECONOMIC CONDITION AND OUTLOOK**

The City of Boston is the economic nucleus for both the Commonwealth and the New England region. The City serves as a major center for cultural events, government and transportation. Boston is also a historical and tourist center attracting approximately 8.8 million visitors to the greater Boston area during 1989. The visitors, according to the Greater Boston Convention and Visitors Bureau, provided an additional \$6.3 billion to the local economy. These additional funds came through the purchase of hotel accommodations, meals, entertainment, shopping, transportation, and other services.

In Fiscal Year 1990 Boston as well as the Commonwealth and the region experienced an economic slowdown. This slowdown affected the City in a number of ways. A bell-weather indicator for the economy, within the City, is the fees generated for permits and various business licenses. These fees decreased 27.4% from 1989 to 1990. This decrease translates into a \$5.3 million decline from \$19.4 million in 1989 to \$14.1 million in 1990. Other significant declines were experienced in Motor Vehicle Excise Taxes and Investment Income. These revenue sources declined 22.6% and 24.3%, respectively. Other economic indicators for Boston and the region have also experienced a slowdown. One of the more notable gauges of how the economy has performed is the unemployment rate. For seven consecutive years Boston's unemployment rate declined and measured more favorably than national averages. This trend reversed in 1990, the impact of various recessionary factors contributed to an unemployment rate of 5.5%.



The outlook for Fiscal Year 1991 is unpredictable. The region and the Commonwealth will continue to suffer from the effects of the area's recession. These effects will also adversely impact on the City. The most notable being a reduction in the amount of funds received from the Commonwealth in terms of State Distributions and in grant funds to various City departments and agencies, particularly the School Department. City revenues received from Permits and Licenses, Motor Vehicle Excise Taxes, and Investment Income are again expected to decline. Other revenue sources are also anticipated to decline. Additional reductions are also expected in Fiscal Year 1992 especially in the area of State Distributions as the Commonwealth attempts to balance its budget with a smaller revenue base.

## MAJOR INITIATIVES

### *For 1990*

**Budget Cuts.** The Fiscal Year 1990 operating budget for the City of Boston and County of Suffolk reflected reductions for forty departments and agencies. These reductions were a direct result of the anticipated cuts in State distributions and other City revenue sources. As a result, the number of employees were reduced in some departments and agencies, and City services, with the exception of public safety and education, were scaled back to reflect the revenue reductions.

**Five Year Capital Plan.** The Mayor's Office of Capital Planning in March 1990 issued its fifth edition of *Rebuilding Boston*. This document outlines the City's capital improvement plans for the next five years and updates the reader on the progress of the current capital improvement projects. The City will be focusing its capital resources on the following projects for the next five years: (1) reconstruction of the Boston City Hospital physical plant, (2) improvement of the City's parks and playgrounds, (3) rehabilitation of the City's public school buildings, and (4) modernization of the City's public safety facilities. In conjunction with its capital plan the City issued a general obligation bond of \$90 million in January 1990. The proceeds from the bond financed various improvements to City infrastructure such as bridges, public ways and park and recreational facilities.

**Application For FHA Section 242 Mortgage Insurance.** At the conclusion of Fiscal Year 1990 the City was in the process of obtaining the necessary federal approvals for the issuance of a \$170 million revenue bond issue. The funds derived from this bond will be used for the reconstruction of the Boston City Hospital physical plant.

**Retirement Costs.** Pension fund costs reduced for the third year in a row from \$142.8 million in fiscal 1988, to \$130.5 million in fiscal 1989, to \$124.7 million in fiscal 1990. This drop is due primarily to the state mandate enacted August 1988 as prescribed by the Pension Reform Act.

### *For the Future*

**The Central Artery/Third Harbor Tunnel Project.** In 1985 the Federal Highway Administration (FHWA) approved a plan to alleviate congestion on Boston's I-93 central artery. This project, which began with initial public design hearings held in 1988, is scheduled to be completed by 1998. The two major components of this project are: (1) replacement of the six-lane elevated section of I-93 the Central Artery, with a new eight to 10-lane road, primarily underground, and (2) the extension of I-90, Massachusetts Turnpike, via a Seaport Access Road and a four lane tunnel underneath Boston Harbor to Logan Airport.

*Capital Projects.* The City's Office of Capital Planning has developed a long-term capital improvements program to identify needs and funding sources through and beyond the year 2000. The goal is to develop long-term solutions for the City's capital requirements and to develop plans now to meet those future obligations. These undertakings range from the construction of roadways, renovation of school buildings and replacement of fire-fighting apparatus.

*Boston City Hospital Reconstruction.* The City has embarked on an extensive program to reconstruct Boston City Hospital (BCH). The program will consolidate the existing buildings into a single modern structure, and provide additional state-of-the-art equipment which cannot be accommodated in the present facility. This project will be carried out while BCH continues to provide services to the City's residents in need of health care. The Federal Housing Administration's Section 242 program provides mortgage insurance for the construction of health care facilities. The City has a guaranteed mortgage under this program. The use of the Section 242 program is beneficial to the City as it helps to protect the City's credit rating, and provides investors with a guaranty that sufficient funds will be available to meet this obligation.

## FINANCIAL INFORMATION

### *Accounting and Administrative Controls*

The City's managers are responsible for establishing and maintaining internal control procedures. These procedures are designed to reasonably assure that the City's assets are protected from loss, theft, or misuse, and that the information generated can be relied upon to compile financial data. These controls also help to ensure that the City and their policies are carried out. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. The City Auditor is responsible for reviewing the operation of these controls.

The Auditing Department maintains an integrated financial system to track standard accounting functions such as revenues, expenditures and accounts payable. This computerized system provides the City with an increased level of control over its financial resources and facilitates the timely and efficient preparation of financial statements. The City utilizes various funds to segregate specific activities and to attain certain objectives in accordance with special regulations, restrictions or limitations. The operations of each fund are accounted for with a set of self-balancing accounts. These accounts are maintained on a budgetary basis, in accordance with the requirements promulgated by the Commonwealth's Department of Revenue; as mandated by Chapter 44 of the Massachusetts General Laws.

### *Budgetary Systems and Controls*

The Office of Budget and Program Evaluation (OBPE) implemented a program-based budgeting system to identify discrete major departmental functions (programs) to which funds are appropriated. Program budgeting focuses on specific program objectives and the attainment of those objectives. This process accumulates and analyzes key data that indicates the level and quality of services, the cost effectiveness of programs and the apportionment of resources. Through this budgeting system, OBPE is able to hold departments accountable for their delivery of City services.

The Auditing Department also maintains an encumbrance accounting system which accounts for purchase orders and other contractual commitments as part of its budgetary controls. Encumbrances outstanding at year-end are reported as reservations of fund balance for subsequent expenditure. As mandated by the Funding Loan Act of 1982, the Auditing Department has instituted a quarterly allotment system to avert overspending of City and School Department personnel budgets.

### *Single Audit*

As a recipient of Federal financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to comply with applicable laws and regulations related to each federal program. This internal control structure is subject to periodic review and evaluation by management and the City Auditor. As part of the City's Single Audit the City's primary internal control systems are tested and evaluated by the external auditors.

## GENERAL GOVERNMENT REVENUE SUMMARY

### Budgetary Basis

The City generated total revenues of \$1.34 billion during fiscal 1990, representing an increase of 4.4% over the \$1.29 billion generated in fiscal 1989. Real and personal property tax revenues and distributions from the state comprised seventy-one percent of total general fund revenues for fiscal 1990. Property tax revenues went up by \$34.9 million or 7.6% from last year. State distributions remained consistent with prior years levels, at \$461.7 million compared to \$461.0 million in fiscal 1989 and \$460.0 million in fiscal 1980.

Departmental and other revenue increased by an impressive 59.6% from the previous year. Revenues received by departments and other sources amounted to \$55.9 million. This gain is primarily due to increases in user fees and reimbursements from other funds. Another source that has helped the City weather the state's fiscal turmoil is \$18.1 million in "Free Cash" which was made available for appropriation to various city departments and agencies that lacked funding.

The overall slowdown in the local economy is evident in some key areas. When compared to last year, motor vehicle excises decreased by \$5.8 million (22.6%), revenues from issuance of licenses and permits decreased by \$5.3 million (27.4%) and investment income diminished by \$5.4 million (24.3%). All these areas are demonstrative of a slow or stagnant economy in the northeast region.

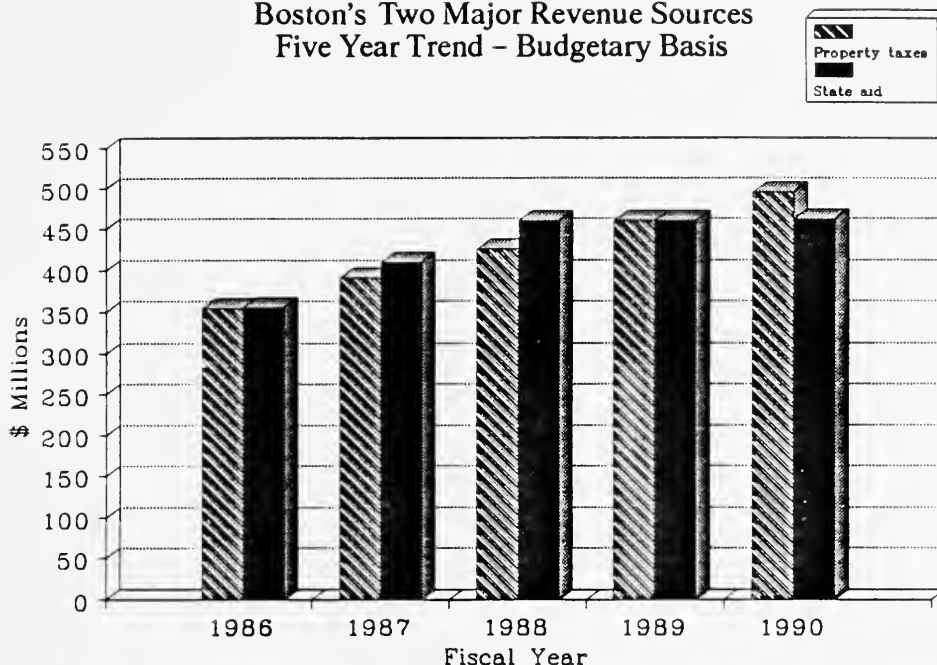
Revenues and other available funds exceeded budgeted amounts by \$10.3 million, resulting in the sixth consecutive year that the City has experienced a revenue surplus. Contributing factors in the revenue increases were updated fee charges, improved collection procedures for delinquent accounts as well as an increased emphasis on management of funds.

The following table presents a summary of General Fund revenues computed on a budgetary basis, for the year ended June 30, 1990 and the amount and percentage of increases and decreases compared to June 30, 1989 revenues.

General Fund Revenues by Source  
(In Millions of \$)  
Budgetary Basis

Source	1990		1989		Increase (Decrease)	
	\$	%	\$	%	from 1989	%
State Distributions	461.7	34.3	461.0	35.7	0.7	0.1
Real and Personal Property Taxes	494.9	36.8	460.0	35.6	34.9	7.6
Health and Hospitals	158.0	11.8	154.7	12.0	3.3	2.1
Departmental and Other Revenue	52.4	3.9	34.9	2.7	17.5	50.2
Fines	44.1	3.3	42.0	3.3	2.2	5.1
Other Available Funds	33.8	2.5	25.2	2.0	8.5	33.9
Local Excise Taxes	28.2	2.1	26.5	2.1	1.6	6.1
Investment Income	16.9	1.3	22.3	1.7	(5.4)	(24.3)
Licenses and Permits	14.1	1.0	19.4	1.5	(5.3)	(27.4)
Payments In Lieu Of Taxes	20.6	1.5	17.9	1.4	2.7	15.2
Motor Vehicle Excise Taxes	20.0	1.5	25.8	2.0	(5.8)	(22.6)
Sales of Property	0.0	0.0	2.0	0.2	(2.0)	(100.0)
Total revenues, transfers & other	<u>1,344.6</u>	<u>100.0</u>	<u>1,291.8</u>	<u>100.0</u>	<u>52.8</u>	<u>4.1</u>
Less prior year deficits	<u>1.0</u>	<u>-</u>	<u>4.2</u>	<u>-</u>	<u>(3.2)</u>	<u>(76.4)</u>
Net revenue available	<u>1,343.6</u>	<u>-</u>	<u>1,287.6</u>	<u>-</u>	<u>56.0</u>	<u>4.4</u>

**Boston's Two Major Revenue Sources  
Five Year Trend – Budgetary Basis**



The following table presents a summary of General Fund revenues computed on a GAAP basis. The basic difference between GAAP and budgetary accounting is the timing in which revenues and expenditures are recognized. Footnotes 1 and 2 to the financial statements provide details regarding specific differences between the two methods of accounting.

**General Fund Revenues by Source  
(In Millions of \$)  
GAAP Basis**

Source	1990		1989		Increase (Decrease) from 1989	
	\$	%	\$	%	\$	%
Real and Personal Property Taxes	477.3	42.6	454.2	41.6	23.1	5.1
Intergovernmental:						
State Distributions	419.8	37.5	406.4	37.2	13.4	3.3
Other	6.0	0.5	5.9	0.5	0.1	1.2
Payments In Lieu Of Taxes	47.5	4.2	44.4	4.1	3.1	7.0
Fines	43.9	3.9	42.0	3.8	1.9	4.5
Departmental and Other Revenue	59.1	5.2	41.7	3.8	17.4	41.7
Local Excise Taxes	27.1	2.4	26.5	2.4	0.5	2.0
Motor Vehicle Excise Taxes	21.1	1.9	25.8	2.4	(4.8)	(18.5)
Investment Income	16.9	1.5	25.4	2.3	(8.5)	(33.5)
Licenses and Permits	14.1	1.2	19.4	1.8	(5.3)	(27.4)
Sub-total	<u>1,118.7</u>	<u>99.9</u>	<u>1,091.9</u>	<u>99.9</u>	<u>26.9</u>	<u>2.5</u>
Operating Transfers In	<u>1.5</u>	<u>0.1</u>	<u>0.7</u>	<u>0.1</u>	<u>0.8</u>	<u>110.0</u>
Total	<u><u>1,120.2</u></u>	<u><u>100.0</u></u>	<u><u>1,092.6</u></u>	<u><u>100.0</u></u>	<u><u>27.6</u></u>	<u><u>2.5</u></u>

## GENERAL GOVERNMENT EXPENDITURE SUMMARY

### Budgetary Basis

The City expended \$1.33 billion during fiscal 1990, representing an increase of 4.2% over the \$1.28 billion in fiscal 1989. The most significant increase in expenditures occurred in the Boston Public Schools and public safety spending. Compared to fiscal 1989 expenditures for the school department grew by \$19.0 million or 5.4% while public safety expenditures climbed by \$15.5 million or 6.8%. In total, spending in these two areas make up 46.2% of all city appropriations. This reflects the City's commitment to provide adequately for educational and public safety services. However, the School Department did incur an appropriation deficit of \$3.3 million. The major factors for the cost overrun were; higher than anticipated utility costs, increased student transportation costs, escalation in worker's compensation and employee insurance, and collective bargaining agreements. The \$2.3 million appropriation deficit for public safety was a result of high personnel costs and overtime expenses.

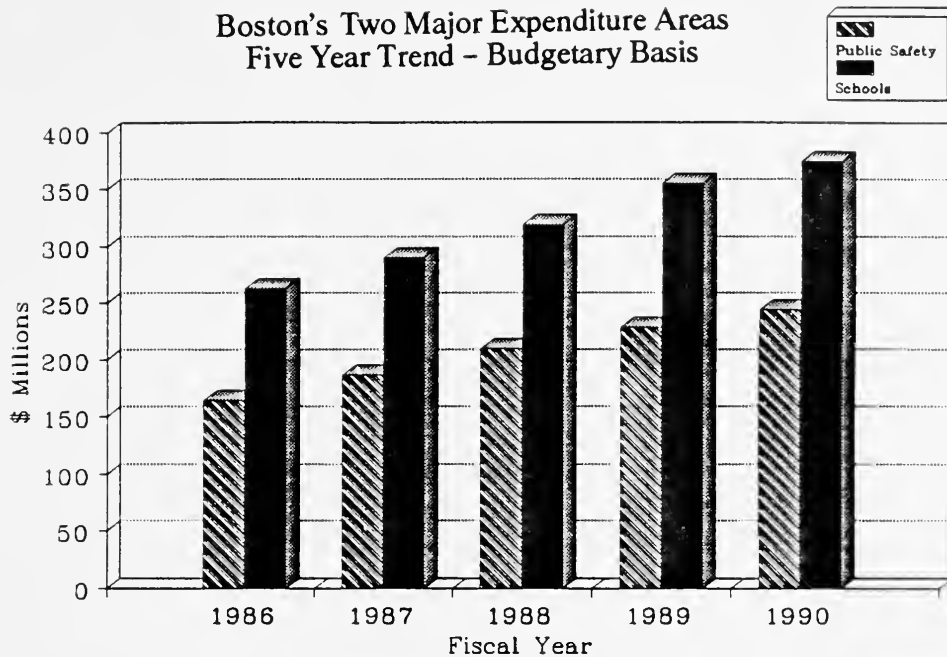
Cost associated with employee health and insurance benefits continued to rise during fiscal 1990. Spending exceeded appropriations by \$3.7 million (6.9%) and increased \$12.1 million from fiscal 1989. Savings in many other areas helped to offset deficits and the City concluded the year with a combined appropriation deficit of \$3.0 million.

The following table presents a summary of General Fund expenditures computed on a budgetary basis, for the year ended June 30, 1990 and the amount and percentage of increases and decreases compared to June 30, 1989 expenditures.

#### General Fund Expenditures by Function (In Millions of \$) Budgetary Basis

Function	1990		1989		Increase (Decrease) from 1989	
	\$	%	\$	%	\$	%
Schools	374.4	28.1	355.4	27.8	19.0	5.4
Public Safety	244.0	18.3	228.5	17.9	15.5	6.8
Health and Hospitals	186.8	14.0	179.4	14.0	7.4	4.1
Retirement Costs	124.1	9.3	130.5	10.2	(6.5)	(4.9)
Public Works	65.7	4.9	62.6	4.9	3.1	4.9
General Government	43.8	3.3	50.7	4.0	(6.9)	(13.6)
Employee Benefits	57.5	4.3	45.4	3.5	12.1	26.7
Property and Development	27.2	2.0	28.1	2.2	(1.0)	(3.5)
County	26.5	2.0	23.4	1.8	3.1	13.4
Library	21.9	1.6	21.5	1.7	0.4	1.8
Parks and Recreation	14.5	1.1	14.7	1.1	(0.2)	(1.5)
Human Services	7.2	0.5	7.0	0.5	0.2	3.1
Judgments and Claims	7.1	0.5	6.0	0.5	1.1	18.6
State Assessments	50.3	3.8	48.3	3.8	2.0	4.1
Debt Requirements	82.3	6.2	78.2	6.1	4.1	5.3
Total expenditures	<u>1,333.3</u>	<u>100.0</u>	<u>1,279.7</u>	<u>100.0</u>	<u>74.3</u>	<u>4.2</u>

### Boston's Two Major Expenditure Areas Five Year Trend - Budgetary Basis



The following table presents a summary of General Fund expenditures computed on the basis of GAAP.

#### General Fund Expenditures by Function (In Millions of \$) GAAP Basis

Function	1990		1989		Increase (Decrease) from 1989	
	\$	%	\$	%	\$	%
Schools	356.6	32.0	353.1	32.3	3.6	1.0
Public Safety	236.8	21.2	216.2	19.8	20.7	9.6
Retirement Costs	89.9	8.1	97.6	8.9	(7.6)	(7.8)
Public Works	66.0	5.9	63.6	5.8	2.3	3.6
Employee Benefits	57.9	5.2	51.7	4.7	6.2	11.9
General Government	43.7	3.9	49.9	4.6	(6.2)	(12.4)
Property and Development	27.7	2.5	27.6	2.5	0.2	0.7
County	27.1	2.4	23.4	2.1	3.7	15.6
Library	21.9	2.0	21.5	2.0	0.4	2.0
Parks and Recreation	14.5	1.3	14.2	1.3	0.2	2.5
Human Services	6.4	0.6	6.5	0.6	0.2	(2.9)
Judgments and Claims	6.8	0.6	6.3	0.6	0.4	6.9
Miscellaneous	1.3	0.1	1.5	0.1	(0.3)	(18.0)
State Assessments	50.3	4.5	48.3	4.4	2.0	4.2
Capital Outlays	4.9	0.4	7.1	0.6	(2.2)	(30.5)
Sub-total	<u>1,011.9</u>	<u>90.8</u>	<u>988.5</u>	<u>90.5</u>	<u>23.4</u>	<u>2.4</u>
Operating Transfers Out	<u>103.0</u>	<u>9.2</u>	<u>103.4</u>	<u>9.5</u>	<u>(0.4)</u>	<u>(0.4)</u>
Total	<u>1,114.9</u>	<u>100.0</u>	<u>1,091.9</u>	<u>100.0</u>	<u>23.0</u>	<u>2.1</u>

## GENERAL FUND BALANCE

The fund balance of the General Fund has increased as a result of the City's continued efforts to maintain balanced budget operations. On a GAAP basis, at the end of fiscal 1990, the total fund balance was \$120.6 million. Undesignated fund balance was \$93.0 million, compared to \$72.7 million the previous year.

## DEBT ADMINISTRATION

The direct debt of the City consists principally of general obligation bonds, which includes both serial and term bonds. During the year the City issued \$90 million of general obligation bonds, at interest rates ranging from 5.9% to 7.4%. The proceeds will be used to finance various capital improvements including, bridges, public ways and athletic facilities. The City has not issued revenue bonds since 1986 to fund general operations.

The ratio of net bonded general obligation debt to assessed valuation and the amount of bonded general obligation debt per capita are useful indicators of the City's debt position to its management, citizens and investors. An additional analysis of the City's debt is provided in the statistical section. As of June 30, 1990, on a budgetary basis, the City had a number of debt issues outstanding. This table is a summary of that data:

<u>Amount of</u> <u>Net General</u> <u>Long-Term Debt</u>	<u>Ratio of Debt</u> <u>To Assessed</u> <u>Valuation</u>	<u>Net</u> <u>Debt Per</u> <u>Capita</u>
\$452,337,000	1.34 %	\$782.82

In recognition of the City's improved financial condition and prudent, responsible fiscal management the investment rating services of Standard and Poor's Corporation and Moody's Investors Service both reaffirmed the City's general obligation bond credit rating of A

## PENSION ASSISTANCE

The City participates in a contributory retirement system, the State-Boston Retirement System (S-BRS), which is a cost-sharing multiple-employer public employee retirement system established under The General Laws of the Commonwealth of Massachusetts providing pension benefits to retired employees.

During 1989, the S-BRS came under the state's newly enacted Pension Reform Act (Chapter 697 Acts of 1988), which mandated funding on an actuarial basis rather than a pay-as-you-go system.

The City annually contributes an amount certified by the state Public Employee Retirement Administration as its share of costs. In Fiscal Year 1994 this will convert to full actuarial funding.

In addition to S-BRS, the Boston Retirement System (BRS), the predecessor system, is funded by the City for those active and retired members whose employment commenced prior to 1946. BRS is not subject to the changes in funding as mandated by Chapter 697, and will continue to be funded on a pay-as-you-go basis.

A comparison of accumulated pension benefit obligation and pension net assets, computed as part of an actuarial valuation, as of June 30, 1990 has been included in Note 9 of the general purpose financial statements.



## **CASH MANAGEMENT**

The City of Boston maintains a cash and investment pool that is available for use by all funds, with the exception of trust funds, bond proceeds and certain grants. This General Fund investment pool optimizes income while ensuring sufficient liquidity and safeguards against exposure.

Chapter 41 Section 55 of the General Laws sets out a list of approved investments of which the City can avail itself. The list includes securities of the U.S. Government and its agencies repurchase agreements that are collateralized by the same, certificates of deposits, commercial paper, or participation units in a combined investment fund under M.G.L. Chapter 29, Section 28a (public administered mutual funds).

The City of Boston's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Investment plans and vehicles are tied into its cash flow projections. This strategy provides for both transactional cash needs and time deposits at higher yields. All deposits are done during the day and to the banking institution which will clear the funds for the City's available use as quickly as possible. This system reduces the cash on hand and increases the amount of investments. All deposits are either collateralized or insured by the Federal Depository Insurance Company and Deposit Insurance Fund of Massachusetts. The City earned interest income of \$16.9 million on all investments for the fiscal year ended June 30, 1990.

## **RISK MANAGEMENT**

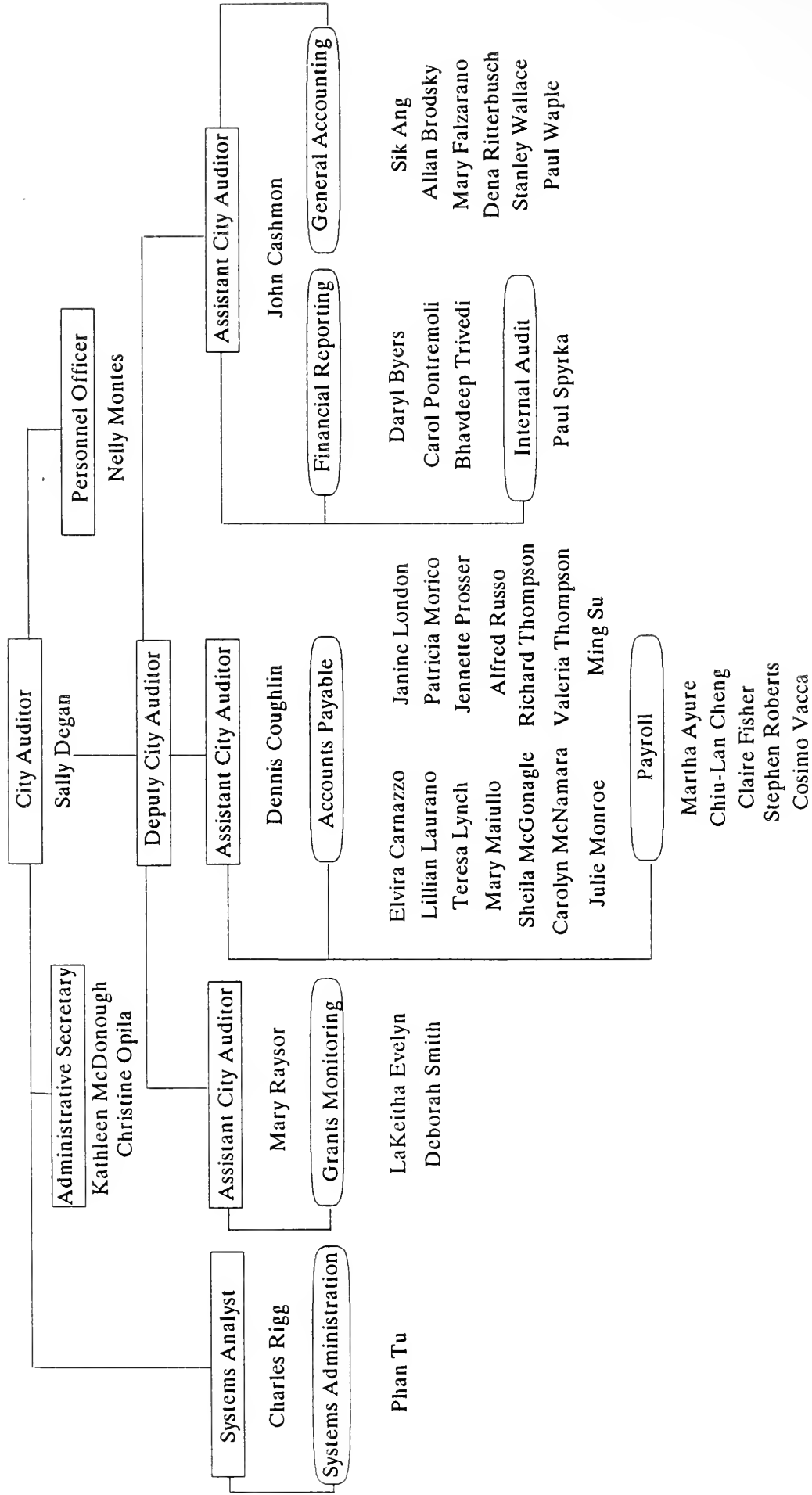
The City of Boston has a policy of self-insurance. The City's Law Department defends the City in lawsuits that may originate in the ordinary course of operations. Such lawsuits may involve claims for property damage and personal injury, breaches of contract, condemnation proceedings and other alleged violations of the law. The City's health insurance program is administered by the Hospitalization and Insurance Division of the Administrative Services Department. Additionally an expendable trust fund has been established to account for all medical claim payments for employees and their dependents. All commercial insurance coverage is obtained via a competitive bidding process.

## **OTHER INFORMATION**

### *Independent Audit.*

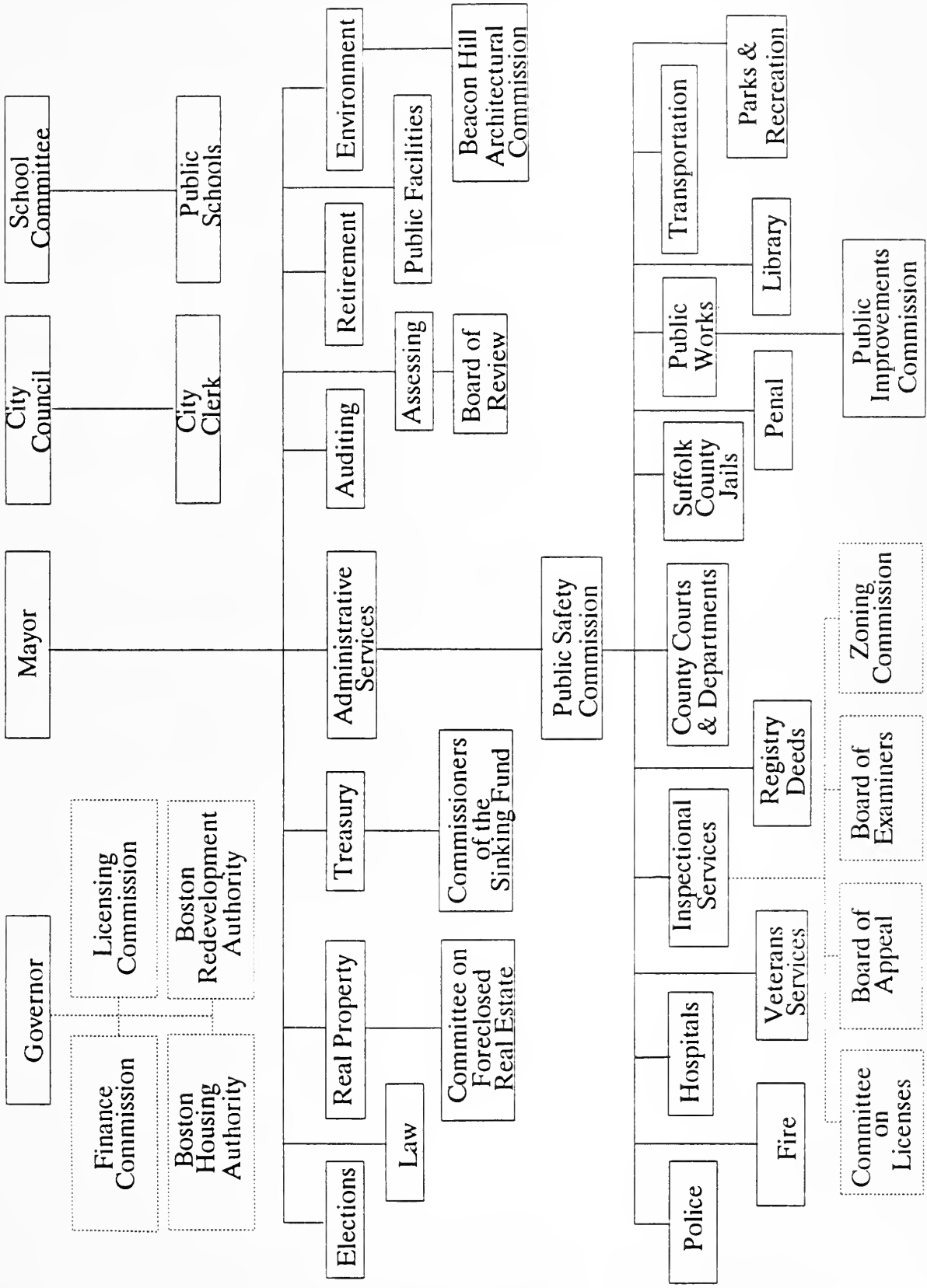
State Law requires an annual audit of the City of Boston by independent certified public accountants. The accounting firm of KPMG Peat Marwick, has performed in this capacity since fiscal 1984. The auditor's report on the general purpose financial statements is included in the financial section of this report. In addition to the requirements in state statute the audit also meets the guidelines of the federal Single Audit Act of 1984.

# Auditing Department - Organizational Chart



# ORGANIZATION OF BOSTON'S CITY GOVERNMENT

## Electorate



# **CITY OF BOSTON AND COUNTY OF SUFFOLK**

## **LIST OF ELECTED OFFICIALS**

### **Mayor**

Raymond L. Flynn

### **City Council Members**

Christopher A. Iannella, President	At Large
Michael J. McCormack	At Large
Albert L. O'Neil	At Large
Roseria Salerno	At Large
Robert E. Travaglini	District 1
James M. Kelly	District 2
James E. Byrne	District 3
Charles C. Yancey	District 4
Thomas M. Menino	District 5
Maura A. Hennigan-Casey	District 6
Bruce C. Bolling	District 7
David Scondras	District 8
Brian J. McLaughlin	District 9

### **Acting Superintendent of Schools**

Joseph McDonough

### **School Committee Members**

John A. Nucci	At Large
Jean McGuire	At Large
John O'Bryant	At Large
Rita Walsh-Tomasini	At Large
Robert M. Cappucci	District 1
Margaret Davis-Mullen	District 2
Daniel R. Burke	District 3
Gerald Anderson	District 4
John P. Grady	District 5
Thomas O'Reilly	District 6
Juanita Wade	District 7
Abigail M. Brown	District 8
Rosina Bowman	District 9



## Financial Section



## FINANCIAL SECTION

THIS SECTION IS COMPOSED OF THE FOLLOWING:

INDEPENDENT AUDITOR'S REPORT

GENERAL PURPOSE FINANCIAL STATEMENTS

COMBINING AND COMPARATIVE FUND STATEMENTS

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Independent Auditors' Report

To the Honorable Mayor and City Council of the  
City of Boston, Massachusetts:

We have audited the general purpose financial statements of the City of Boston, Massachusetts, as of and for the year ended June 30, 1990, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of certain entities and accounts that aggregate the following percentages of total assets and revenues of the respective funds and account groups:

<u>Fund/Account Group</u>	<u>Percentage of</u>	
	<u>Total assets</u>	<u>Total revenues</u>
Special Revenue	14	1
Capital Projects	33	68
Enterprise	17	5
Trust and Agency	11	24
General Fixed Assets	100	-
General Long-Term Obligations	1	-

Those statements were audited by other auditors whose reports have been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for those entities and accounts, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

The General Fixed Assets Account Group (GFAAG) only includes the cost of the general fixed assets of the Boston Redevelopment Authority, a component unit. The general fixed assets of the City have not been presented as required by generally accepted accounting principles.

In our opinion, based on our audit and the reports of the other auditors, and except that the omission of the City's general fixed assets from the GFAAG results in an incomplete presentation, as described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Boston, Massachusetts, as of June 30, 1990, and the results of its operations and the cash flows of its proprietary and similar trust fund types for the year then ended, in conformity with generally accepted accounting principles.



December 21, 1990



**CITY OF BOSTON, MASSACHUSETTS**  
Combined Balance Sheet - All Fund Types and Account Groups  
June 30, 1990  
(with comparative amounts for the General Fund for 1989)  
(in thousands)

	GOVERNMENTAL FUND TYPES					PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		Total (Memorandum only) 1990
	General		Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General	Long-Term Obligations	
	1990	1989								
<u>Assets</u>										
Cash and investments (note 3)	\$ 115,644	219,659	34,725	54,468	103,359	10,404	1,052,995	-	-	1,371,595
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):										
Property taxes	88,774	85,163	-	-	-	-	-	-	-	88,774
Motor vehicle excise	16,900	14,533	-	-	-	-	-	-	-	16,900
Intergovernmental	257,830	41,539	1,468	-	14,141	1,438	5,259	-	-	280,136
Departmental and other	9,141	12,407	1,117	-	5,961	74,320	61,241	-	-	151,780
Total receivables	372,645	153,642	2,585	-	20,102	75,758	66,500	-	-	537,590
Inventories	-	-	-	-	-	1,529	-	-	-	1,529
Due from other funds (note 6)	14,180	11,998	24,101	1,995	-	36,492	65,982	-	-	142,750
Other assets	-	-	251	-	13,181	3,542	1,081	-	-	18,055
Property, plant and equipment, net of accumulated depreciation (note 5)	-	-	-	-	-	113,822	191	1,074	-	115,087
Amount available in debt service funds	-	-	-	-	-	-	-	-	54,468	54,468
Amount to be provided for the retirement of general long-term obligations by (note 7):										
City of Boston	-	-	-	-	-	-	-	-	1,002,376	1,002,376
Commonwealth of Massachusetts	-	-	-	-	-	-	-	-	112,400	112,400
Boston Water and Sewer Commission	-	-	-	-	-	-	-	-	2,000	2,000
Boston Redevelopment Authority	-	-	-	-	-	-	-	-	5,876	5,876
Total assets	\$ 502,469	385,299	61,662	56,463	136,642	241,547	1,186,749	1,074	1,177,120	3,363,726

See accompanying notes to general purpose financial statements.

**CITY OF BOSTON, MASSACHUSETTS**  
Combined Balance Sheet - All Fund Types and Account Groups  
June 30, 1990  
(with comparative amounts for the General Fund for 1989)  
(in thousands)

	GOVERNMENTAL FUND TYPES					PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		Total (Memorandum only) 1990		
	General		Special Revenue	Debt Service	Capital Projects			Enterprise	Trust and Agency		General	Long-Term Obligations
	1990	1989									Fixed Assets	
<u>Liabilities</u>												
Warrants and accounts payable	\$ 86,098	45,885	8,474	-	4,393	26,925	20,883	-	-	146,773		
Accrued liabilities:												
Tax abatement refunds	89,110	85,724	-	-	888	2,581	-	-	-	89,110		
Judgments and claims	-	-	-	-	-	6,220	-	-	2,165	5,634		
Sick and vacation	-	-	-	-	-	39,542	-	-	75,769	81,989		
Retirement costs (note 9)	-	-	-	-	-	11,425	-	-	453,733	493,275		
Third party payors	-	-	-	-	-	8,058	-	-	-	11,425		
Other	7,203	22,873	13,978	-	5,864	6,634	48,340	-	-	83,443		
Inter-governmental	-	-	-	-	113	-	-	-	-	6,747		
Due to other funds (note 6)	86,777	4,581	834	-	4,591	-	2,206	-	48,342	142,750		
Deferred revenue	107,319	105,600	9,212	-	4,027	16,047	-	-	-	136,605		
Matured interest and bonds payable	-	-	-	1,995	-	-	-	-	-	1,995		
Obligations under capital leases (note 7)	-	-	-	-	-	3,411	-	-	23,227	26,638		
General obligation bonds, loans and notes payable (notes 5 and 7)	-	-	-	-	9,900	16,872	9,402	-	573,884	610,058		
Total liabilities	<u>376,507</u>	<u>264,663</u>	<u>32,498</u>	<u>1,995</u>	<u>29,776</u>	<u>137,715</u>	<u>80,831</u>	<u>-</u>	<u>1,177,120</u>	<u>1,836,442</u>		
<u>Fund Equity</u>												
Investment in general fixed assets	-	-	-	-	-	-	-	1,074	-	1,074		
Proprietary fund equity	-	-	-	-	-	103,832	-	-	-	103,832		
Fund balances:												
Reserved for:												
Encumbrances and continuing appropriations	32,948	47,879	20,303	-	58,957	-	8,185	-	-	120,393		
Employee retirement systems	-	-	-	-	-	-	1,030,481	-	-	1,030,481		
Debt service (note 8)	-	-	-	54,468	-	-	-	-	-	54,468		
Unreserved:												
Undesignated	93,014	72,757	8,861	-	47,909	-	67,252	-	-	217,036		
Total fund equity	<u>125,962</u>	<u>120,636</u>	<u>29,164</u>	<u>54,468</u>	<u>106,866</u>	<u>103,832</u>	<u>1,105,918</u>	<u>1,074</u>	<u>-</u>	<u>1,527,284</u>		
Contingencies (note 12)												
Total liabilities and fund equity	<u>\$ 502,469</u>	<u>385,299</u>	<u>61,662</u>	<u>56,463</u>	<u>136,642</u>	<u>241,547</u>	<u>1,186,749</u>	<u>1,074</u>	<u>1,177,120</u>	<u>3,363,726</u>		

See accompanying notes to general purpose financial statements.

# CITY OF BOSTON, MASSACHUSETTS

Combined Statement of Revenues, Expenditures and Changes in Fund Equity - All Governmental Fund Types and Expendable Trust Funds  
Year Ended June 30, 1990  
(with comparative amounts for the General Fund for 1989)  
(in thousands)

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE Expendable Trust	Total (Memorandum only) 1990	
	General		Special Revenue	Debt Service			Capital Projects
	1990	1989					
Revenues:							
Local:							
Real and personal property taxes, net (note 4)	\$ 477,296	454,239	-	-	-	477,296	
Excises	48,134	52,359	-	-	-	48,134	
Payments in lieu of taxes	47,539	44,427	-	-	-	47,539	
Fines	43,872	41,986	-	-	-	43,872	
Investment income	16,918	25,429	87	-	1,517	23,402	
Licenses and permits	14,075	19,384	-	-	-	14,075	
Departmental and other revenue	45,080	38,373	-	-	23,622	169,449	
Total local revenues	692,914	676,197	-	-	25,139	823,767	
Intergovernmental:							
Federal	-	-	80,727	-	2,742	83,469	
Commonwealth of Massachusetts	419,790	409,720	-	-	8,537	458,135	
Other	6,018	5,946	-	969	-	6,987	
Total intergovernmental revenues	425,808	415,666	-	969	11,279	548,591	
Total revenues	1,118,722	1,091,863	-	969	36,418	1,372,358	
Expenditures:							
Current:							
Schools	356,635	353,081	53,419	-	15	410,069	
Public safety	236,840	216,169	15,211	-	-	252,051	
Retirement costs (note 9)	89,948	97,551	-	-	1,021	90,969	
Public works	65,951	63,644	7,455	-	-	74,925	
Other employee benefits	57,854	51,698	-	-	-	124,233	
General government	43,748	49,930	654	-	2,022	46,424	
Community development	-	-	27,100	-	-	27,100	
Property and development	27,746	27,556	-	-	-	27,746	
County	27,090	23,434	-	-	-	27,090	
Library	21,898	21,459	1,242	-	-	23,683	
Parks and recreation	14,503	14,154	2,395	-	-	19,160	
Human services	6,357	6,548	11,639	-	-	28,220	
Judgments and claims	6,785	6,346	-	-	-	6,785	
Slate and district assessments	50,308	48,282	-	-	-	50,308	
Miscellaneous	1,257	1,532	-	-	-	1,257	
Capital outlays	4,930	7,097	3,666	-	94,437	103,033	
Debt service	-	-	-	-	-	-	
Total expenditures	1,011,850	988,481	-	110,478	3,125	113,603	
Excess (deficiency) of revenues over expenditures	106,872	103,382	16,204	110,478	82,964	1,426,656	
Other financing sources (uses):				(109,509)	(5,700)	(54,298)	
Proceeds of debt and capital leases (note 7)	-	-	-	-	-	-	
Operating transfers in (out), net (note 10)	(101,546)	(102,725)	(4,299)	76,043	(615)	114,382	
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	5,326	657	11,905	(33,466)	(6,315)	11,053	
Fund equity, beginning of year	120,636	119,979	17,259	87,934	73,263	331,518	
Fund equity, end of year	\$ 125,962	120,636	29,164	54,468	106,866	342,571	

See accompanying notes to general purpose financial statements.

# CITY OF BOSTON, MASSACHUSETTS

## Statement of Revenues and Expenditures - Budgetary Basis

Year Ended June 30, 1990

(with comparative actual amounts for 1989)  
(in thousands)

	1990				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1989 Actual
<b>Revenues:</b>					
Real and personal property taxes, net	\$ 493,170	493,170	494,920	1,750	460,004
Excises	48,365	48,365	48,134	(231)	52,359
Commonwealth of Massachusetts	442,706	444,089	461,715	17,626	461,035
Health and hospitals	156,600	156,600	158,014	1,414	154,745
Departmental and other revenue	49,514	53,801	55,933	2,132	35,037
Fines	46,932	46,495	44,146	(2,349)	41,986
Payments in lieu of taxes	19,308	21,308	20,582	(726)	17,861
Investment income	18,000	19,640	16,918	(2,722)	22,346
Licenses and permits	17,580	17,580	14,075	(3,505)	19,384
Sale of property	-	-	-	-	2,000
Operating transfers from other funds	9,500	10,170	10,170	-	10,000
Other available funds	1,900	20,023	20,023	-	15,035
<b>Total revenues, transfers and other available funds</b>	<b>1,303,575</b>	<b>1,331,241</b>	<b>1,344,630</b>	<b>13,389</b>	<b>1,291,792</b>
<b>Less prior year deficits</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>-</b>	<b>4,226</b>
<b>Net revenues available for appropriation</b>	<b>1,302,575</b>	<b>1,330,241</b>	<b>1,343,630</b>	<b>13,389</b>	<b>1,287,566</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Schools	355,200	371,090	374,417	(3,327)	355,390
Public safety	240,387	241,737	244,018	(2,281)	228,545
Health and hospitals	183,750	187,948	186,812	1,136	179,413
Pension costs	124,657	124,657	124,079	578	130,533
Public works	68,930	68,930	65,724	3,206	62,642
Other employee benefits	48,538	53,788	57,506	(3,718)	45,372
General government	46,162	46,929	43,829	3,100	50,711
Property and development	27,437	27,455	27,173	282	28,145
County	25,284	25,284	26,530	(1,246)	23,387
Library	19,957	22,254	21,853	401	21,472
Parks and recreation	14,227	14,902	14,469	433	14,681
Human services	7,041	7,541	7,169	372	6,953
Judgments and claims	4,750	4,750	7,124	(2,374)	6,007
State and district assessments	50,134	49,797	50,308	(511)	48,306
Debt requirements	86,121	83,179	82,323	856	78,190
<b>Total expenditures</b>	<b>1,302,575</b>	<b>1,330,241</b>	<b>1,333,334</b>	<b>(3,093)</b>	<b>1,279,747</b>
<b>Excess of net revenues available for appropriation over expenditures</b>	<b>\$ -</b>	<b>-</b>	<b>10,296</b>	<b>10,296</b>	<b>7,819</b>

See accompanying notes to general purpose financial statements.

**CITY OF BOSTON, MASSACHUSETTS**

Combined Statement of Revenues Expenses and Changes in Fund Equity - All Proprietary Fund Types and Similar Trust Funds  
Year Ended June 30, 1990  
(with comparative amounts for Health and Hospitals for 1989)  
(in thousands)

	PROPRIETARY FUND TYPES			FIDUCIARY FUND TYPES			Total (Memorandum Only) 1990
	Health and Hospitals 1990	Health and Hospitals 1989	Trustees of Health and Hospitals	Pension Trusts	Nonexpendable Trusts		
<b>Revenues:</b>							
Gross patient service revenue	\$ 213,708	194,748	-	-	-	-	213,708
Adjustments to patient service revenue:							
Contractual adjustments	22,747	24,794	-	-	-	-	22,747
Provision for uncollectible amounts, free care and services provided to City employees	(65,767)	(57,766)	-	-	-	-	(65,767)
Total adjustments to patient service revenue	(43,020)	(32,972)	-	-	-	-	(43,020)
Net patient service revenue	170,688	161,776	-	-	-	-	170,688
Investment income	-	-	-	50,850	4,315	-	56,583
Net appreciation in fair value of investments	-	-	-	18,363	-	-	18,363
Contributions and donations	-	-	-	171,427	574	-	173,586
Programs	-	-	38,607	-	-	-	38,607
Rental income	-	-	-	-	-	-	5,163
Intergovernmental	-	-	-	19,765	-	-	20,759
Miscellaneous	5,299	7,410	-	32	115	-	8,426
Total operating revenues	175,987	169,186	38,607	260,437	5,004	-	492,175
<b>Expenses:</b>							
Salaries and wages	111,602	108,550	-	1,442	-	-	115,994
Professional fees	20,259	17,726	-	2,628	-	-	23,378
Administrative and general	15,655	20,149	3,179	66	4	-	21,091
Materials and supplies	12,157	13,936	-	36	-	-	12,193
Depreciation	8,073	5,870	48	-	-	-	9,683
Retirement costs	5,363	5,543	-	-	-	-	5,363
Interest	2,851	2,516	-	1,297	-	-	4,148
Scholarships and awards	-	-	-	-	4	-	4
Libraries	-	-	-	-	659	-	659
Benefits paid	-	-	-	154,486	-	-	154,486
Member refunds, and transfers and reimbursements to other systems, net	-	-	-	15,331	-	-	15,331
Subsidies for community services, special programs, and real estate operations	23,076	22,911	36,260	-	-	-	59,336
Total operating expenses	199,036	197,201	39,487	173,953	667	-	421,666
Operating income (loss) before operating transfers	(23,049)	(28,015)	(880)	86,484	4,337	-	70,509
Operating transfers in (out), net (note 10)	44,191	31,240	905	-	(1,760)	-	43,336
Net income (loss)	21,142	3,225	25	86,484	2,577	-	113,845
Fund equity, beginning of year	75,098	71,873	1,460	943,997	46,749	-	1,069,794
Fund equity, end of year	\$ 96,240	75,098	1,485	1,030,481	49,326	-	1,183,639

See accompanying notes to general purpose financial statements.

Year Ended June 30, 1990

(with comparative amounts for Health and Hospitals for 1989)  
(in thousands)

	PROPRIETARY FUND TYPES		EDIC	Nonexpendable Trusts	Total (Memorandum only) 1990
	Health and Hospitals 1990	Trustees of Hospitals 1989			
Cash flows from operating activities:					
Operating income (loss)	\$ (23,049)	(28,015)	(880)	4,337	(15,975)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Operating subsidy/transfers in (out)	44,191	31,240	905	(1,760)	43,336
Depreciation and amortization	8,073	5,870	48	-	9,683
Provision for bad debts	67,252	59,748	-	361	67,613
Loss on disposal of leased assets	49	-	-	-	49
Changes in operating assets and liabilities:					
Accounts receivable	(56,296)	(71,963)	(1,797)	-	(58,270)
Intergovernmental receivables	-	-	-	-	(565)
Inventories	(157)	281	-	-	(157)
Other assets	-	-	(14)	-	(279)
Accounts payable	528	2,850	96	-	1,431
Accrued retirement and vacation	(5,694)	(4,102)	-	-	(5,694)
Due to third party payors	(6,079)	(13,276)	-	-	(6,079)
Other accrued liabilities	807	(1,574)	(243)	89	653
Deferred revenue	770	2,193	73	(24)	819
Cash provided (used) by operating activities	30,395	(16,748)	(1,812)	2,577	36,565
Cash flows from noncapital financing activities:					
Advances from grantors	-	-	1,366	-	1,366
Cash provided by noncapital financing activities	-	-	1,366	-	1,366
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets (note 5)	(28,067)	(8,048)	(135)	-	(29,147)
Proceeds from debt	-	-	-	193	193
Payments received on loan receivable	-	-	-	120	120
Principal paid on debt maturities	-	-	-	-	(1,838)
Payments on lease obligations	(1,197)	(1,048)	-	-	(1,197)
Other transfers	(9,710)	34,131	(271)	396	(9,585)
Acquisition of capital leases	-	-	-	-	27
Cash provided (used) by capital and related financing activities	(38,974)	25,035	(406)	396	(41,427)
Increase (decrease) in cash and cash equivalents	(8,579)	8,287	(852)	2,973	(3,496)
Cash and cash equivalents, beginning of year	12,116	3,829	3,767	46,122	62,995
Cash and cash equivalents, end of year	\$ 3,537	12,116	2,915	49,095	59,499
Supplemental disclosure of cash flow information:					
Cash paid for interest	\$ 2,878	2,653	-	-	4,193

See accompanying notes to general purpose financial statements.

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

June 30, 1990

### (1) Summary of Significant Accounting Policies

The general purpose financial statements are prepared in accordance with generally accepted accounting principles (GAAP), except that the City does not maintain records of the costs of its general fixed assets. Accordingly, the General Fixed Assets Account Group is incomplete. The accounting policies followed in preparing the accompanying general purpose financial statements are as follows:

#### *(a) Reporting Entity*

The City's general purpose financial statements include the operations of all organizations for which the Mayor and City Council exercise oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. Financial statements for all entities included in the general purpose financial statements are for the year ended June 30, 1990, except for the Boston Redevelopment Authority, which is for the year ended September 30, 1989.

Based on the aforementioned oversight criteria, the operations of the following entities have been included in or excluded from the accompanying general purpose financial statements:

Entities included in the general purpose financial statements:

- (1) Boston Redevelopment Authority (BRA). The Mayor appoints four of the five Authority Board members and is responsible for contracting on behalf of the City for Federal Community Development Funds. The geographical limits are the same as those of the City and the City has a residual interest in the net assets.
- (2) Economic Development Industrial Corporation (EDIC). The Mayor appoints all seven of the Corporation's Board members and designates areas of the City as economic development areas.
- (3) State-Boston Retirement System (SBRS). The SBRS is a defined benefit contributory retirement plan covering employees of the City and certain other entities. The City Auditor is an ex-officio member of the SBRS Board and the City is the largest employer in the System.
- (4) Trustees of Health and Hospitals of the City of Boston, Inc. (THH). The THH provides grant and trust fund administration services to the Department of Health and Hospital's programs. The Mayor appoints all members of the Board as well as the Chairman and Vice-Chairman.

Entities excluded from the general purpose financial statements:

- (1) Boston Housing Authority. Although the Mayor and City Council appoint members of the Authority's Board, the City is not directly or contingently liable for operating or debt service expenses.
- (2) Boston Water and Sewer Commission. The Mayor appoints the Commission's Board members, but the City is not responsible for the Commission's debt or operating deficits.

(Continued)



# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

### *(b) Basis of Presentation - Fund Accounting*

The operations of the City are recorded in the following fund types and account groups:

#### Governmental Fund Types

Governmental funds are used to account for the City's expendable financial resources and related liabilities (except those accounted for in proprietary and similar trust funds). The measurement focus is upon determination of changes in financial position and the flow of financial resources. The following are the City's governmental fund types.

General Fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to specified purposes.

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Project Funds - Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

#### Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income and capital maintenance.

Enterprise Funds - Enterprise funds are used to account for operations (a) that are financed primarily through user charges, or (b) where the governing body has decided that determination of net income is appropriate.

#### Fiduciary Fund Types

Trust and Agency Funds - Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent. Trust funds include expendable trust funds, nonexpendable trust funds, and pension trust funds. Nonexpendable trust funds and pension trust funds are reported in a manner similar to proprietary funds. Expendable trust funds are reported in a manner similar to governmental funds. Agency funds are custodial in nature and do not involve the measurement of results of operations.

#### Account Groups

Account groups are a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the general funds because they do not affect net expendable available financial resources. The following are the City's account groups.

General Fixed Assets Account Group - This account group is used to account for fixed assets, other than those accounted for in proprietary funds and similar trust funds.

General Long-Term Obligations Account Group - This account group is used to account for all long-term obligations of the City except those accounted for in proprietary and similar funds.

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

### *(c) Basis of Accounting*

The modified accrual basis of accounting is followed by governmental funds, expendable trust funds, and agency funds. Under the modified accrual basis of accounting, revenues are recorded when they become measurable and available to pay liabilities of the current period. Revenues not considered available are recorded as deferred revenues. Expenditures are recorded when the liability is incurred except for (1) interest on general long-term obligations, which is recorded when due, and (2) the noncurrent portion of accrued judgments and claims, pension costs and vacation and sick leave, which are recorded in the general long-term obligations account group.

In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, moneys must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures incurred. In the other, moneys are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. At June 30, 1990, the City accrued \$230.2 million in local aid received subsequent to year-end.

Property taxes are recognized as revenue in the year for which taxes have been levied, provided they are collected within 60 days after year-end. Motor vehicle and other excise, licenses and permits, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned.

The accrual basis of accounting is used by proprietary funds, nonexpendable trust funds, and pension trust funds.

### *(d) Cash Equivalents*

For purposes of the statement of cash flows, the proprietary funds and nonexpendable trust funds consider investments with maturities of less than three months to be cash equivalents.

### *(e) Encumbrances*

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds. Open encumbrances at year-end are reported as reservations of fund balances. Encumbrances do not lapse nor do they constitute expenditures or liabilities.

Certain unexpended and unencumbered appropriations for incomplete projects are carried over to succeeding years. Such continuing appropriations are accounted for similar to encumbrances.

### *(f) Inventory*

Inventory of the proprietary funds are valued at the lower of cost (first-in, first-out), or market. The cost of supplies and other inventoriable items in governmental funds are recorded as expenditures at the time they are purchased (purchase method).

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

### *(g) Property, Plant and Equipment*

Property, plant and equipment used by proprietary funds are stated at cost or estimated historical cost. Contributed fixed assets are recorded at estimated fair market value at the time received. Net interest costs are capitalized on projects during the construction period. Depreciation is provided using the straight-line method over estimated useful lives ranging from 15 to 40 years for buildings, 5 to 25 years for improvements other than buildings, and 4 to 25 years for equipment.

### *(h) Accrued Sick and Vacation*

Employees are granted vacation and sick leave in varying amounts. Upon retirement, termination or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their then current rates of pay. The cost of vacation and sick leave for employees of proprietary funds is recorded as earned. For other funds, the liability related to unused sick and vacation time is recorded in the general long-term obligations account group. The amount recorded is the unused days earned at the current rate of pay.

### *(i) Arbitrage Rebate*

Arbitrage earnings are calculated for the City by third parties and accounted for as a reduction of investment income in the general fund. At June 30, 1990, accrued arbitrage rebates of \$452,472 were recorded as a liability in the general fund.

### *(j) Self Insurance*

The City is self insured for various employee benefits including health, workers' compensation and unemployment compensation.

The City has established an expendable trust fund to account for its health benefit program. The purpose of the program is to pay medical claims of the City's employees and their covered dependents. The City accrues claims submitted for medical services rendered prior to the end of its fiscal year.

The City is self insured for settlements of workers' compensation and unemployment compensation claims. Settlements of these claims are reported as expenditures in the general fund when such claims are paid ("pay-as-you-go" basis).

### *(k) Subsidy to the Department of Health and Hospitals*

Subsidies provided by the City's general fund to the Department of Health and Hospitals (DHH) are based upon the modified accrual basis of accounting. The subsidy recorded by DHH is based on the full accrual basis except for property, plant and equipment and capital leases, which are accounted for on the modified accrual basis. The difference in the amounts of the subsidies is recorded in the general long-term obligations account group.

The City does not allocate all internal administrative costs to the DHH. To a lesser extent, DHH provides certain administrative services to other City departments and hospital services to employees of the City without charge.

### *(l) Patient Service Revenues*

Patient service revenues are recorded at DHH's established rates with contractual and free care allowances and the provision for uncollectible accounts deducted to arrive at net patient service revenue.

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

### *(m) Third-Party Reimbursement*

Amounts receivable under cost reimbursement agreements of DHH are subject to examination and retroactive adjustments by third-party payors. Provisions for estimated retroactive adjustments under these agreements are provided in the period in which the related services are rendered.

Effective October 1, 1982, Massachusetts charge control legislation Chapter 372 was enacted to govern the establishment of acute hospital charges and rates of payment. Chapter 372 established a prospective payment system for substantially all payors and adopted the Blue Cross basis of payment as the basis for determining the approved level of gross patient service revenue and Medicaid and Medicare rates of payment. Effective October 1, 1985, the payment system established pursuant to the Chapter 372 legislation was amended for a two-year period by Chapter 574 legislation. The two principal modifications were the exclusion of Medicare reimbursement from the Massachusetts system and the establishment of an uncompensated care pool to uniformly fund free care and bad debts incurred by hospitals. On April 21, 1989, retroactive to October 1, 1987, the Massachusetts legislature enacted Chapter 23 to govern acute hospital charges through September 30, 1991. The system established under Chapter 23 continues the methodology established under Chapters 372 and 574 with some modifications including a discontinuance of the productivity factors which reduced hospital payments under Chapters 372 and 574; greater incentives for changes in volume and case mix and a rebasing of the 1987 inpatient volume allowance; and the establishment of a statewide cap on the amount of uncompensated care costs that can be recovered through hospital charges.

Under hospital agreements HA-30 and HA-31 Blue Cross pays Boston City Hospital ("Hospital") a proportionate share of the substantially fixed Maximum Allowable Cost (MAC). The MAC is based upon the Hospital's 1982 reimbursement year patient care costs with annual adjustments for inflation, changes in volume and a technology and new program allowance, and with certain items, principally depreciation, interest and malpractice insurance, reimbursed on a cost basis outside the MAC. The current agreement, HA-31, expires on September 30, 1991. In 1987, the Blue Cross basis of payment was reduced by a 6% productivity factor as mandated by Chapters 372 and 574. This reduced basis of payment served as the base for determining the 1990 and 1989 Blue Cross bases of payment.

Under Chapters 372 and 574, Medicaid reimbursement is based upon Medicaid's proportionate share of the Blue Cross MAC basis of payment increased by a fixed premium to maintain Medicaid's premium at the 1982 level. In 1987, the basis of payment for Medicaid was reduced by an 8% productivity factor as mandated by Chapters 372 and 574. Under Chapter 23, Medicaid reimbursement in 1990 and 1989 was based upon approved charges plus a premium which reflects the 1987 relationship of Medicaid reimbursement and approved charges. In addition, under Chapter 23 Medicaid reimbursement is subject to a federally imposed "upper limit" test which specifies that payments for Medicaid services on a statewide basis cannot exceed what the payments would have been had Medicare principles of reimbursement been used. Additionally the Rate Setting Commission promulgated extraordinary disproportionate share regulations in 1989 which are intended to provide additional Medicaid reimbursement to those hospitals that have significant limitations on the amount of actual uncompensated care costs reimbursed by the statewide uncompensated care pool.

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

The Hospital is reimbursed for Medicare patients under the Prospective Payment System, the national Medicare system whereby hospitals are paid a standard amount based upon the patient's diagnosis.

Under Chapter 23 gross patient service revenue is limited to a maximum level based upon the Blue Cross basis of payment. Any under or over generation of revenue in one year results in an increase or reduction in approved charges in the succeeding year. Any overgenerated revenue is deferred by the Hospital.

DHH is reimbursed for services during the year at interim rates by Blue Cross, Medicaid and Medicare with differences between DHH charges and estimated final reimbursement recorded as contractual adjustments.

### *(n) Reclassifications*

Certain 1989 amounts have been reclassified to conform with 1990 reporting practices.

### *(o) Total Columns*

Total columns on the accompanying general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such data are not comparable to a consolidation since interfund and other eliminations have not been made.

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

### (2) Budgetary Data

The budgets for all departments of the City, except the School Department, are prepared under the direction of the Mayor and City Council. The School Department budget is prepared under the direction of the School Committee. Original and supplemental appropriations are submitted by the Mayor and approved by the City Council. The legal level of control over the budget is at the department level.

The City must establish its property tax rate each year so that the resulting property tax levy will comply with the limits required by Proposition 2-1/2 (note 4). The tax levy must equal the sum of (a) the aggregate of all annual appropriations for expenditures; plus (b) the reserve accounts described in the following paragraph; plus (c) provision for the prior fiscal years' deficits, if any; less (d) the aggregate of all non-property tax revenues projected to be received by the City, including available funds, in amounts certified or approved by the Commonwealth of Massachusetts for tax rate purposes.

In accordance with the 1986 amendments to the Funding Loan Act of 1982, the City has established two reserve funds. The first is a budget reserve fund which is required to be funded in stages to a final level of 2-1/2% of the prior year's overall departmental appropriations, except the School Department, by the beginning of fiscal 1989. It is available to be applied to extraordinary and unforeseen expenditures. The second is a separate reserve fund of 1% to 2-1/2% of the current year appropriation of the School Department to be applied to over-expenditures in that department.

The City's general fund budget is prepared on a basis other than generally accepted accounting principles ("GAAP"). The "actual" results column of the Statement of Revenues and Expenditures - Budgetary Basis is presented on a "budget basis" to provide a meaningful comparison with the budget. The major differences between the budget and GAAP bases are that:

- (a) Real estate and personal property taxes are recorded as revenue when levied (budget), as opposed to when susceptible to accrual (GAAP);
- (b) Encumbrances and continuing appropriations are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP);
- (c) Certain activities and transactions are presented in separate funds (GAAP) rather than as components of the general fund (budget);
- (d) Amounts raised for the prior years' deficits and available funds from prior years' surpluses are recorded as revenue items (budget) but have no effect on GAAP revenues; and
- (e) The subsidy to the DHH from the general fund is derived on a budget basis (budget), as opposed to a modified accrual basis (GAAP).

In addition, there are certain differences in classifications between revenues, expenditures and transfers.

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

The following reconciliation summarizes the differences between budgetary and GAAP basis accounting principles for the year ended June 30, 1990 (in thousands):

	<u>Revenue</u>	<u>Expenditures</u>	<u>Other financing sources (uses), net</u>	<u>Excess revenue and sources (expenditures and uses)</u>
As reported on a budgetary basis	\$ 1,343,630	1,333,334	-	10,296
Adjustments:				
Revenues to modified accrual basis	(14,746)	-	-	(14,746)
Prior years' deficits	1,000	-	-	1,000
Prior years' available funds	(20,023)	-	-	(20,023)
General fund DHH subsidy to a modified accrual basis	-	-	22,152	22,152
Expenditures, encumbrances and accruals, net	-	(6,647)	-	6,647
Reclassifications:				
Health and Hospitals revenues and expenditures to an enterprise fund	(158,014)	(186,812)	(28,798)	-
Pension and interest expenditures related to Health and Hospitals	-	(14,047)	(14,047)	-
Parking meter revenue and expenditures to a special revenue fund	(8,700)	(8,700)	-	-
Debt service expenditures to a debt service fund	-	(82,323)	(82,323)	-
State-funded teachers' retirement costs	(22,955)	(22,955)	-	-
Trust fund revenue to other financing sources	<u>(1,470)</u>	<u>-</u>	<u>1,470</u>	<u>-</u>
As reported on a GAAP basis	\$ <u>1,118,722</u>	<u>1,011,850</u>	<u>(101,546)</u>	<u>5,326</u>

### (3) Cash and Investments

State and local statutes place certain limitations on the nature of deposits and investments available to the City. Deposits including demand deposits, term deposits and certificates of deposit in any one financial institution may not exceed certain levels without collateralization by the financial institution involved. Investments can also be made in securities issued by or unconditionally guaranteed by the U.S. government or agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by the U.S. Government or its Agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase and units in the Massachusetts Municipal Depository Trust ("MMDT").

In addition, the City's pension trust fund has additional investment powers, most notably the ability to invest in common stocks, corporate bonds and other specified investments.

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

### Deposits

The following summary presents the amount of City deposits on June 30, 1990 which are fully insured or collateralized with securities held by the City or its agent in the City's name (Category 1), those deposits that are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name (Category 2), and those deposits that are not collateralized (Category 3) (in thousands).

	Bank Balances			Total	
	Category			Bank	Carrying
	1	2	3	Balance	Amount
Demand deposits	\$ 110,196	-	39,057	149,253	123,607
Money markets	594	3,665	59,271	63,530	63,014
Certificates of deposit	<u>15,398</u>	<u>-</u>	<u>65,145</u>	<u>80,543</u>	<u>80,353</u>
Total	\$ <u>126,188</u>	<u>3,665</u>	<u>163,473</u>	<u>293,326</u>	<u>266,974</u>

### Investments

The City categorizes investments according to the level of risk assumed by the City. Category 1 includes investments that are insured, registered or held by the City's agent in the City's name. Category 2 includes uninsured and unregistered investments held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments held by the counterparty, its trust department or its agent, but not in the City's name (in thousands).

	Category			Carrying Amount	Estimated Market Value
	1	2	3		
Categorized:					
Equity securities	\$ -	452,708	16,753	469,461	474,775
U.S. Government obligations	17,434	84,299	10,440	112,173	114,212
Debt securities	-	131,022	17,613	148,635	146,519
U.S. Government agency obligations	-	55,249	53,074	108,323	109,408
Repurchase agreements	50,430	51,728	15,617	117,775	117,775
Other investments	-	<u>62,622</u>	-	<u>62,622</u>	<u>66,205</u>
Total	\$ <u>67,864</u>	<u>837,628</u>	<u>113,497</u>	<u>1,018,989</u>	<u>1,028,894</u>
Not categorized:					
MMDT				<u>85,632</u>	<u>85,793</u>
				<u>1,104,621</u>	<u>1,114,687</u>

Investments of the City's pension trust funds are presented in the accompanying general purpose financial statements at their fair market value. All other investments are stated at cost or amortized cost, which approximates market.

Of the investments reflected in the preceding table, investments of the City's pension trust fund are 91.4% of the amount in Category 2.

The composition of the City's bank recorded deposits and investments fluctuates depending primarily on the timing of real estate tax receipts, proceeds from borrowings, collection of state and federal aid, and capital outlays throughout the year.

(Continued)



# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

### (4) Property Taxes

Real and personal property taxes are based on values assessed as of each January 1 and are normally due on the subsequent November 1 and May 1. By law, all taxable property in the Commonwealth must be assessed at 100% of fair cash value. Taxes due and unpaid after the respective due dates are subject to interest and penalties. The City has an ultimate right to foreclose on property for which taxes have not been paid. Property taxes levied are recorded as receivables, net of estimated uncollectibles, in the fiscal year of the levy. Property tax revenues are recorded in accordance with the modified accrual basis of accounting described in note 1c.

A statewide tax limitation statute known as "Proposition 2-1/2" limits the property tax levy to an amount equal to 2-1/2% of the value of all taxable property in the City. A secondary limitation is that no levy in a fiscal year may exceed the preceding year's allowable tax levy by more than 2-1/2%, plus taxes levied on certain property newly added to the tax rolls. Certain Proposition 2-1/2 taxing limitations can be overridden by a City-wide referendum vote.

### (5) Property, Plant and Equipment

Property, plant and equipment of the enterprise funds by major category, at June 30, 1990 is as follows (in thousands):

	<u>DHH</u>				
	<u>Hospital Facilities</u>	<u>South Block Complex</u>	<u>THH</u>	<u>EDIC</u>	<u>Total</u>
Land	\$ 4,288	132	-	8,582	13,002
Buildings and leasehold improvements	130,734	18,471	-	18,343	167,548
Furniture and equipment	35,336	817	670	1,525	38,348
Construction in progress	<u>11,954</u>	<u>-</u>	<u>-</u>	<u>770</u>	<u>12,724</u>
	182,312	19,420	670	29,220	231,622
Less accumulated depreciation	<u>91,947</u>	<u>10,482</u>	<u>459</u>	<u>14,912</u>	<u>117,800</u>
	\$ <u>90,365</u>	<u>8,938</u>	<u>211</u>	<u>14,308</u>	<u>113,822</u>

The South Block Complex consists of residential apartments, parking for resident and hospital use and facilities housing the Boston City Hospital (Hospital) School of Practical Nursing.

On December 20, 1990 the City issued \$169.3 million of revenue bonds to provide permanent financing for the construction and equipping of a new Hospital inpatient facility and the renovation and consolidation of existing Hospital facilities previously financed with bond anticipation notes (BANs). At June 30, 1990 approximately \$12.0 million had been expended in connection with the project, primarily relating to architectural design and site preparation costs, and is included in buildings and leasehold improvements. The main construction phase of the project commenced late in 1990 and is expected to continue until late 1993. A lump sum contract for this phase has been awarded to the general contractor in the amount of \$61.5 million.

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

Because the \$15.7 million in BANs outstanding at June 30, 1990 have been refinanced on a long-term basis they have been reclassified as a general long-term obligation in the accompanying combined balance sheet.

The following is a summary of changes in the general fixed assets account group (in thousands):

	Balance, October 1, <u>1988</u>	<u>Additions</u>	Balance, September 30, <u>1989</u>
Furniture and fixtures	\$ 1,425	33	1,458
Vehicles and maintenance equipment	57	5	62
Data processing equipment	<u>327</u>	<u>254</u>	<u>581</u>
	1,809	292	2,101
Less accumulated depreciation and amortization	<u>638</u>	<u>389</u>	<u>1,027</u>
Fixed assets, net	\$ <u>1,171</u>	<u>(97)</u>	<u>1,074</u>

### (6) Interfund Balances

Individual fund interfund receivable and payable balances at June 30, 1990, are as follows (in thousands):

<u>Fund/Purpose</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 14,180	86,777
Special revenue		
General fund	18,841	834
BRA	5,260	-
Debt service		
Matured interest and bonds payable	1,995	-
Capital projects		
BRA	-	4,310
General fund	-	281
Enterprise		
Hospital subsidy	36,492	-
Trust and agency		
SBRS pension trust	65,941	-
Nonexpendable trusts	41	-
Expendable trusts	-	1,256
BRA	-	950
General long-term obligation account group		
Hospital subsidy	<u>-</u>	<u>48,342</u>
	\$ <u>142,750</u>	<u>142,750</u>

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

### (7) General Long-Term Obligations

The following is a summary of bond and other long-term obligation transactions of the City for the year ended June 30, 1990 (in thousands):

<u>City</u>	<u>Interest Rates</u>	<u>Outstanding, Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding, End of Year</u>
Bonds and notes payable:					
General purpose, serial maturities through 2006	1/4% to 10-3/4%	\$ 132,610	39,855	9,206	163,259
Urban redevelopment, serial maturities through 2006	4-1/2% to 10-3/4%	71,240	845	7,795	64,290
Schools, serial maturities through 2006	4-1/4% to 10-3/4%	120,010	15,000	16,546	118,464
Parking facilities, serial maturities through 2003	4-1/4% to 10-3/4%	10,740	-	1,137	9,603
Public buildings, serial maturities through 2006	4-1/4% to 10-3/4%	82,771	14,340	10,202	86,909
Public works, serial maturities through 2006	4-1/4% to 10-3/4%	48,824	19,960	4,504	64,280
Water, serial maturities through 1996	5-1/10% to 10%	1,175	-	330	845
Sewer, serial maturities through 1999	4-1/4% to 7-3/10%	1,440	-	260	1,180
Rapid transit, term maturities through 1995	2-1/4% to 3%	7,444	-	-	7,444
Funding Loan Act of 1982, serial maturities through 1992	7-1/2% to 9-1/2%	<u>24,000</u>	<u>-</u>	<u>24,000</u>	<u>-</u>
		500,254	90,000	73,980	516,274
Refunded debt		<u>47,875</u>	<u>-</u>	<u>5,995</u>	<u>41,880</u>
		548,129	90,000	79,975	558,154
Short term debt refunded on a long-term basis subsequent to year-end	7-2/10%	<u>-</u>	<u>15,730</u>	<u>-</u>	<u>15,730</u>
		548,129	105,730	79,975	573,884
Lease acquisition and refinancing, serial maturities through 1994 (note 7)	5% to 6-4/10%	24,495	8,652	9,920	23,227
Other long-term obligations, net:					
Judgments and claims		1,040	1,125	-	2,165
Sick and vacation		63,710	10,390	-	74,100
Retirement costs		366,909	82,617	-	449,526
Due to other funds		<u>54,037</u>	<u>-</u>	<u>5,695</u>	<u>48,342</u>
		<u>1,058,320</u>	<u>208,514</u>	<u>95,590</u>	<u>1,171,244</u>
<u>BRA</u>					
Sick and vacation, net		1,485	184	-	1,669
Retirement costs, net		<u>4,090</u>	<u>117</u>	<u>-</u>	<u>4,207</u>
		<u>5,575</u>	<u>301</u>	<u>-</u>	<u>5,876</u>
Totals		\$ <u>1,063,895</u>	<u>208,815</u>	<u>95,590</u>	<u>1,177,120</u>

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

On August 28, 1986, the City issued \$58.5 million in general obligation bonds to advance refund \$47.8 million of 1980, 1983, 1984 and 1985 Series bonds and to provide for all future debt service payments on the refunded bonds. The transaction was not considered an "in substance defeasance" because proceeds of the refunding debt were not invested in essentially risk-free monetary assets as defined by generally accepted accounting principles.

The annual debt service requirements of general obligation bonds outstanding as of June 30, 1990 are as follows (in thousands):

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1991	\$ 49,474	41,413	90,887
1992	53,160	37,496	90,656
1993	52,265	33,899	86,164
1994	52,585	30,216	82,801
1995	42,905	26,672	69,577
1996-2000	166,100	90,458	256,558
2001-2005	118,740	33,835	152,575
2006-2010	<u>22,925</u>	<u>4,217</u>	<u>27,142</u>
	\$ <u>558,154</u>	<u>298,206</u>	<u>856,360</u>

General obligation bonds are backed by the full faith and credit of the City. The Commonwealth of Massachusetts has approved school construction assistance, subject to annual appropriation by the State Legislature and reports filed with the Commonwealth by the City, which partially provides resources for future principal and interest requirements on general obligation school bonds of the City. In addition, the Boston Water and Sewer Commission ("BWSC") is required by its enabling legislation to reimburse the City for future principal and interest requirements on the general obligation water and sewer bonds. As of June 30, 1990, such resources, excluding interest, expected to be provided to the City total \$112.4 million from the Commonwealth and \$2.0 million from the BWSC.

The City of Boston Funding Loan Act of 1982 made available to the City several sources of revenue to be utilized for the payment of debt service on the Funding Loan Bonds. Such revenues include hotel/motel excise receipts, deed excise receipts and certain new real estate excises. Since these Funding Loan Bonds were retired in 1990, the collection of the hotel/motel excise receipts and deed excise receipts will cease, as required by the Act. However, the collection of real estate excise receipts will continue and can be used for general fund purposes.

As of June 30, 1990, the City has \$7.8 million on deposit with the Board of Sinking Funds Commissioners for retirement of rapid transit term general obligation bonds. The deposit is accounted for in the debt service fund. If payments by the Board from the sinking fund are not sufficient to fully provide for principal and interest on such debt as it becomes due, the City is entitled to receive direct payments from the Massachusetts Bay Transportation Authority ("MBTA") to the extent of any such deficiency.

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

The City is subject to a dual level general debt limit; the normal debt limit and the double debt limit. Such limits are equal to 2-1/2% and 5%, respectively, of the valuation of taxable property in the City as last equalized by the State Department of Revenue. Debt may be authorized up to the normal debt limit without state approval. Authorizations under the double debt limit, however, require the approval of the Commonwealth's Emergency Finance Board. Additionally, there are many categories of general obligation debt which are exempt from the debt limit but are subject to other limitations.

As of June 30, 1990, the City may issue \$1.44 billion additional general obligation debt under the dual level general debt limit. General obligation debt of \$239.2 million subject to the double debt limit and \$36.7 million exempt from the debt limit is authorized but unissued as of June 30, 1990.

The City pays assessments to the MBTA under formulas which include debt service payments (commonly referred to as overlapping debt). At June 30, 1990, the MBTA had \$177.5 million in long-term obligations outstanding of which the City's estimated share was 42.14%, or \$74.8 million.

The City has entered into two master installment sale agreements authorizing the financing of up to \$56.5 million of equipment for various purposes. As of June 30, 1990, the amount financed totaled \$41.8 million, with \$23.2 million currently outstanding.

Future minimum payments under capital leases as of June 30, 1990, are as follows (in thousands):

	<u>City</u>	<u>DHH</u>	<u>EDIC</u>	<u>Total</u>
1991	\$ 10,788	1,443	108	12,339
1992	7,648	901	100	8,649
1993	4,487	797	89	5,373
1994	2,195	335	83	2,613
1995 and thereafter	<u>619</u>	<u>133</u>	<u>72</u>	<u>824</u>
Total minimum lease payments	25,737	3,609	452	29,798
Less amount representing interest	<u>2,510</u>	<u>546</u>	<u>104</u>	<u>3,160</u>
	<u>\$ 23,227</u>	<u>3,063</u>	<u>348</u>	<u>26,638</u>

### (8) Fund Balance Reserved for Debt Service

Fund balance for the debt service fund consisted of the following at June 30, 1990 (in thousands):

August 16, 1986, \$58,525,000 Refunding Bond debt proceeds	\$ 46,620
Sinking fund assets for payment of Rapid Transit debt	<u>7,848</u>
	<u>\$ 54,468</u>

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

### (9) Pension Plan

#### *(a) Plan Description*

The City provides retirement benefits to employees through a contributory retirement system administered by the State-Boston Retirement System (SBRS or System), a cost-sharing, multiple-employer public employee retirement system. Each participating employer's share of the total annual contribution is determined on the basis of active payroll. The City's payroll for employees covered by the System for the year ended June 30, 1990, was approximately \$636.0 million; the City's total payroll was approximately \$780.5 million.

The System is a contributory defined benefit plan covering all permanent full-time employees immediately upon the commencement of employment. Public school teachers are also members of the System. However, the cost of teachers' pension benefits is reimbursed by the Commonwealth of Massachusetts ("Commonwealth") directly to the City. The System is a member of the Massachusetts Contributory System and is governed by Chapter 32 of the Massachusetts General Laws. Membership in the System is mandatory immediately upon the commencement of employment for all permanent, full-time employees.

Members of the System become vested after 10 years of creditable service. A retirement allowance may be received upon reaching age 65 or upon attaining 20 years of service. The System also provides for early retirement at age 55 if the participant (1) has a record of 10 years of creditable service, (2) was on the City's payroll on January 1, 1978, (3) voluntarily left City employment on or after that date, and (4) left accumulated annuity deductions in the Fund. Active members contribute either 5, 7, or 8% of their gross regular compensation depending on the date upon which their membership began and salary level. In addition members who joined the System after January 1, 1979, are required to contribute an additional 2% of regular compensation over \$30,000. The City is required to contribute the remaining amounts necessary to pay benefits when due.

#### *(b) Funding Status and Progress*

The amount shown below as the "Pension Benefit Obligation" for the System is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the System on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the System.

The pension benefit obligation was computed as part of an actuarial valuation performed as of January 1, 1989 (which was updated as of June 30, 1990). Significant actuarial assumptions used in the valuation include (1) a rate of return on the investment of present and future assets of 10% a year compounded annually, (2) projected salary increases of 6% a year compounded annually, attributed to inflation and seniority, (3) no post-retirement benefit increases, and (4) removal of the \$30,000 compensation cap and other changes resulting from the adoption of Chapter 32, Section 22D.

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

The unfunded pension benefit obligation and the accumulated unfunded benefit obligation at June 30, 1990 are as follows (in thousands):

	<u>City</u>	<u>BRA</u>	<u>Other Entities*</u>	<u>Total</u>
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 948,562	5,623	33,700	987,885
Current employees:				
Accumulated employee contributions including investment earnings	425,116	5,236	20,053	450,405
Employer financed vested	92,556	1,258	2,373	96,187
Employer financed nonvested	376,506	3,195	15,069	394,770
Cost-of-living adjustments reimbursable by the Commonwealth	<u>215,351</u>	<u>1,659</u>	<u>8,107</u>	<u>225,117</u>
Total pension benefit obligation	2,058,091	16,971	79,302	2,154,364
Net assets available for benefits, at market	<u>980,301</u>	<u>9,267</u>	<u>39,325</u>	<u>1,028,893</u>
Unfunded pension benefit obligation	1,077,790	7,704	39,977	1,125,471
Less:				
Adjustment to reduce the unfunded pension benefit obligation for projected salary increases	210,913	1,838	8,910	221,661
Cost-of-living adjustments reimbursable by the Commonwealth	215,351	1,659	8,107	225,117
Estimated amounts to be reimbursed by the Commonwealth of Massachusetts for teachers, net of related assets	<u>162,458</u>	<u>-</u>	<u>-</u>	<u>162,458</u>
Unfunded accumulated pension benefit obligation	\$ <u>489,068</u>	<u>4,207</u>	<u>22,960</u>	<u>516,235</u>

\* Not included in the general purpose financial statements.

The City has recorded \$453.7 million of the unfunded accumulated benefit obligation as a liability in the general long-term obligations account group. The remaining \$39.5 million is recorded as a liability in the enterprise fund.

### *(c) Contribution Requirements and Contributions Made*

The System's funding policy is governed by Section 22D of Chapter 32. Accordingly, the minimum contribution through June 30, 1994, is an amount approximating the pension benefits expected to be paid during the year ("pay-as-you-go" method), as determined by the Public Employee Retirement Administration (PERA). Subsequent to June 30, 1994, the members of the System are required to fund each year the actuarially determined normal cost plus an amount to amortize the unfunded liability by June 30, 2028. Normal cost is based upon the entry age normal cost method and would increase each year but should remain relatively level as a percentage of payroll. The method used to amortize the unfunded liability results in an 4-1/2% increase in pension cost each year. The Commonwealth currently reimburses the System for the portion of benefit payments owing to cost-of-living increases granted after the implementation of Proposition 2-1/2. Also the Commonwealth reimburses the City for benefits paid to school teachers.

The City's contributions to the System for 1990 of \$124.1 million which included \$23.0 million for teachers and \$11.1 million for DHH and were made in accordance with the funding policy described above which represented approximately 95% of all employer contributions to the System.

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

### (d) Trend Information

Trend information for the three years ended December 31, 1990, 1989 and 1988, respectively, is as follows: available assets were sufficient to fund 46%, 44% and 40% of the pension benefit obligation, respectively. Unfunded pension benefit obligation represented 184%, 177% and 215% of the annual payroll for employees covered by the System for 1990, 1989 and 1988, respectively.

Ten year historical trend information presenting the System's progress in accumulating sufficient assets to pay benefits when due and revenues by source and expenses by type is presented in the SBRs June 30, 1990 separately issued financial statements.

### (10) Operating Transfers

Operating transfers constitute the transfer of resources from the fund that receives the resources to the fund that utilizes them. Operating transfers during the year were as follows (in thousands):

	Transfers in (out)							
	General		Special	Debt	Capital	Trust funds		
	<u>1990</u>	<u>1989</u>	<u>Revenue</u>	<u>Service</u>	<u>Projects</u>	<u>Enterprise</u>	<u>Expendable</u>	<u>Nonexp.</u>
Purpose of operating transfer:								
BRA transfers:								
Capital projects	\$ -	-	(4,299)	-	4,299	-	-	-
Debt service	(82,323)	(78,190)	-	82,323	-	-	-	-
Lease acquisition and refinancing	-	-	-	(3,402)	3,402	-	-	-
DHH subsidy	(14,998)	(21,133)	-	(2,878)	(26,315)	44,191	-	-
Add amount transferred from the long-term obligations account group	<u>(5,695)</u>	<u>(4,102)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(20,693)</u>	<u>(25,235)</u>	<u>-</u>	<u>(2,878)</u>	<u>(26,315)</u>	<u>44,191</u>	<u>-</u>	<u>-</u>
Trust funds	<u>1,470</u>	<u>700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>905</u>	<u>(615)</u>	<u>(1,760)</u>
	\$ <u>(101,546)</u>	<u>(102,725)</u>	<u>(4,299)</u>	<u>76,043</u>	<u>(18,614)</u>	<u>45,096</u>	<u>(615)</u>	<u>(1,760)</u>

(Continued)



# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

### (11) Fund Deficits

The following funds had deficit equity balances at June 30, 1990 (in thousands):

Capital projects:	
Public works	2,230
Public buildings	1,245
Urban and economic development	300
Parks and recreation	257
Other various projects	<u>492</u>
	<u>4,524</u>
Trust and agency:	
Blue Cross/Blue Shield fund	7,323
Neighborhood housing trust	<u>4,065</u>
	<u>11,388</u>
	\$ <u>15,912</u>

The above deficits will be eliminated by future bond issuances, employee payroll withholdings, linkage payments or City appropriations.

### (12) Contingencies

There are numerous pending lawsuits in which the City is involved. The City attorneys estimate that the potential claims against the City not recorded in the accompanying general purpose financial statements resulting from such litigation would not materially affect the financial statements of the City.

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## GENERAL FUND

This fund is the general operating fund of the City. It is used to account for all revenues, expenditures and other financial resources except those required to be accounted for in other funds.

City of Boston and County of Suffolk

Exhibit A-1

GENERAL FUND

Balance Sheet

June 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
<b>ASSETS</b>		
Cash and short-term investments	\$ 115,643,669	\$ 219,659,449
Receivables (net of allowances for uncollectible amounts):		
Property taxes	88,774,419	85,163,075
Motor vehicle excise	16,900,195	14,532,953
Due from state government	257,829,558	41,538,842
Accounts	9,140,466	12,406,891
Due from other funds	14,179,701	11,997,307
Total assets	<u>\$ 502,468,008</u>	<u>\$ 385,298,517</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants and accounts payable	\$ 86,098,465	\$ 45,885,571
Accrued liabilities:		
Tax abatement refunds	89,109,945	85,724,145
Other	7,202,014	22,871,945
Due to other funds	86,777,154	4,581,193
Deferred revenue	107,318,787	105,599,753
Total liabilities	<u>376,506,365</u>	<u>264,662,607</u>
Fund balance:		
Reserved for:		
Encumbrances	32,948,307	47,879,278
Unreserved:		
Undesignated	93,013,336	72,756,632
Total fund balance	<u>125,961,643</u>	<u>120,635,910</u>
Total liabilities and fund balance	<u>\$ 502,468,008</u>	<u>\$ 385,298,517</u>

## Exhibit A-2

## GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Year Ended June 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
<b>REVENUES</b>		
Local:		
Real and personal property taxes	\$ 477,295,589	\$ 454,239,489
Excises	48,133,778	52,359,075
Payments in lieu of taxes	47,538,856	44,427,388
Licenses and permits	14,075,197	19,383,548
Fines	43,872,188	41,985,871
Investment income	16,917,983	25,429,067
Departmental and other revenue	45,080,118	41,740,362
Total local revenues	<u>692,913,709</u>	<u>679,564,800</u>
Intergovernmental:		
Commonwealth of Massachusetts	419,789,928	406,352,904
Other; Massachusetts Port Authority	6,017,739	5,946,157
Total intergovernmental revenues	<u>425,807,667</u>	<u>412,299,061</u>
Total revenues	<u>1,118,721,376</u>	<u>1,091,863,861</u>
<b>EXPENDITURES</b>		
General government	43,747,917	49,929,732
Public safety	236,839,717	216,169,359
Public works	65,951,133	63,644,053
Property and development	27,746,194	27,556,178
Libraries	21,898,177	21,459,270
Parks and recreation	14,502,953	14,154,044
Human services	6,357,052	6,548,055
Schools	356,634,507	353,080,798
County	27,090,236	23,434,442
Retirement costs	89,948,170	97,539,302
Other employee benefits	57,854,358	51,698,055
Judgments and claims	6,784,696	6,346,383
State and district assessments	50,308,136	48,281,946
Miscellaneous	1,256,866	1,543,645
Capital outlays	4,929,788	7,096,547
Total expenditures	<u>1,011,849,900</u>	<u>988,481,809</u>
Excess (deficiency) of revenues over expenditures	106,871,476	103,382,052
<b>OTHER FINANCING SOURCES (USES)</b>		
Operating transfers in (out), net	<u>(101,545,748)</u>	<u>(102,725,442)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	5,325,728	656,610
Fund equity, beginning of year	<u>120,635,910</u>	<u>119,979,300</u>
Fund equity, end of year	<u>\$ 125,961,638</u>	<u>\$ 120,635,910</u>

## City of Boston and County of Suffolk

## Exhibit A-3

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)

Year Ended June 30, 1990

(With Comparative Actual Amounts for Year Ended June 30, 1989)

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1989 Actual</u>
<b>PROPERTY TAXES</b>					
Real and Personal Property Taxes	\$ 493,170,224	\$ 493,170,224	\$ 494,919,902	\$ 1,749,678	\$ 460,004,318
Revenue class total	493,170,224	493,170,224	494,919,902	1,749,678	460,004,318
<b>MOTOR VEHICLE EXCISE</b>					
Motor Vehicle Excise - Current	19,600,000	19,600,000	18,449,693	(1,150,307)	22,727,905
Motor Vehicle Excise - Prior Years	-	-	1,511,668	1,511,668	3,049,431
Motor Vehicle - Lessor Surcharge	-	-	-	-	61
Boat Excise - Current	15,000	15,000	15,568	568	40,415
Boat Excise - Prior Years	-	-	281	281	156
Revenue class total	19,615,000	19,615,000	19,977,210	362,210	25,817,967
<b>LOCAL EXCISE</b>					
Hotel / Motel Room Excise	14,400,000	14,400,000	13,906,576	(493,424)	13,580,142
Aircraft Fuel Excise	13,200,000	13,200,000	13,177,147	(22,853)	12,960,966
Condominium Con. Excise	700,000	700,000	593,500	(106,500)	
County Deeds Excise Fund	450,000	450,000	479,329	29,329	
Revenue class total	28,750,000	28,750,000	28,156,552	(593,448)	26,541,108
<b>DEPARTMENTAL &amp; OTHER REVENUE</b>					
Penalties & Interest - Property Taxes	1,800,000	1,800,000	1,544,374	(255,626)	1,746,007
Penalties & Interest - Motor Vehicle	600,000	600,000	715,614	115,614	620,124
Penalties & Interest - Sidewalk	-	-	6	6	116
Penalties & Interest - Tax Title	3,800,000	3,800,000	3,524,012	(275,988)	3,835,517

## Exhibit A-3 (Continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)

Year Ended June 30, 1990

(With Comparative Actual Amounts for Year Ended June 30, 1989)

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1989 Actual</u>
Penalties & Interest – Boat Excise	-	-	16	16	4
Data Processing Services	-	-	-	-	6,849
Purchasing Services	50,000	50,000	24,716	(25,284)	69,039
Recording of Legal Instruments	250	250	228	(22)	291
Registry Division Fees	750,000	750,000	745,199	(4,801)	761,238
Sale of Publications	25,000	25,000	31,081	6,081	25,354
Assessing Fees	1,000	1,000	10,241	9,241	914
Liens	375,000	375,000	324,115	(50,885)	373,410
City Clerk Fees	240,000	240,000	222,865	(17,135)	231,970
Election Fees	10,000	10,000	14,080	4,080	10,633
City Council Sale of Publications	200	200	880	680	310
Other General Services	25,000	25,000	28,681	3,681	18,691
Police Services	350,000	350,000	434,056	84,056	365,102
Fire Services	1,600,000	1,600,000	1,207,968	(392,032)	1,582,355
Civil Defense	60,000	60,000	44,466	(15,534)	161,835
Parking Facilities	3,100,000	3,100,000	3,495,589	395,589	3,775,810
Street, Sidewalk and Curb Repairs	7,300,000	7,300,000	8,349,615	1,049,615	2,007,188
Real Property – Rents	40,000	40,000	48,735	8,735	37,855
Demolition of Abandoned Structures	50,000	50,000	53,895	3,895	147,737
Building – Rents	200,000	200,000	209,329	9,329	248,447
Damage to City Property	15,000	15,000	87,514	72,514	15,851
Other Revenues – Public Facilities	15,000	15,000	12,498	(2,502)	21,081

## City of Boston and County of Suffolk

## Exhibit A-3 (Continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)

Year Ended June 30, 1990

(With Comparative Actual Amounts for Year Ended June 30, 1989)

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	1989 <u>Actual</u>
Concessions - Parks	5,000	5,000	601	(4,399)	5,881
Miscellaneous - Parks	2,000	2,000	6,475	4,475	1,975
Golf Fees - Parks	1,000	1,000	0	(1,000)	81,062
Veterans Services	70,000	70,000	75,013	5,013	68,568
Public Works - Other Charges	3,000	3,000	4,093	1,093	3,525
Tuition and Transportation - Schools	450,000	450,000	661,130	211,130	453,376
Miscellaneous receipts - Schools	30,000	30,000	215,241	185,241	22,702
Library Fees	140,000	140,000	117,176	(22,824)	137,149
Library of Last Recourse	-	1,768,625	1,644,102	(124,523)	1,775,871
Code Enforcement	-	-	-	-	413,609
Registry of Deeds	1,900,000	1,900,000	1,835,900	(64,100)	1,907,365
Telephone Commissions - County	-	-	23,283	23,283	1,763
New Courthouse Space Rental	1,500,000	1,500,000	0	(1,500,000)	1,551,918
Telephone Commissions	80,000	80,000	177,224	97,224	82,118
Insurance Proceeds	10,000	10,000	77,414	67,414	7,320
City Workmens Comp. Reimbursement	472,052	734,552	750,949	16,397	352,199
Settlements - Water/Sewer	6,393,732	7,410,809	7,678,885	268,076	5,345,174
Pensions and Annuities	2,400,000	2,458,000	2,020,980	(437,020)	2,850,270
Fringe and Indirect	250,000	250,000	265,210	15,210	174,157
Contributions and Donations	200	200	20,392	20,192	375
Sale of Real Estate	250	250	-	(250)	-
Discount Taken	-	-	1,219	1,219	-



**GENERAL FUND**  
**Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)**  
**Year Ended June 30, 1990**  
**(With Comparative Actual Amounts for Year Ended June 30, 1989)**

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1989 Actual</u>
Prior Year Reimbursements	14,900,000	14,900,000	14,311,849	(588,151)	3,366,584
Tellers Adjustments	-	-	(7,465)	(7,465)	(128)
Miscellaneous Refunds	200,000	200,000	160,018	(39,982)	70,024
Miscellaneous Collections	25,000	25,000	11,242	(13,758)	33,268
Miscellaneous - Treasury	1,000	1,000	121	(879)	102,911
Paid Detail-Administrative Fees	-	1,180,365	1,187,908	7,543	-
Authorized Special Revenue	274,986	274,986	274,986	-	163,997
Other Available Funds	-	-	3,288,438	3,288,438	-
Revenue class total	<u>49,514,670</u>	<u>53,801,237</u>	<u>55,932,158</u>	<u>2,130,921</u>	<u>35,036,763</u>
<b>HEALTH AND HOSPITALS</b>					
Boston City Hospital	137,116,575	137,116,575	140,516,196	3,399,621	126,444,729
Long Island Hospital	9,910,869	9,910,869	8,430,181	(1,480,688)	16,600,604
Mattapan Hospital	9,572,556	9,572,556	9,067,839	(504,717)	11,699,814
Revenue class total	<u>156,600,000</u>	<u>156,600,000</u>	<u>158,014,217</u>	<u>1,414,217</u>	<u>154,745,147</u>
<b>COMMONWEALTH OF MASSACHUSETTS</b>					
Urban Redevelopment Ch. 121A	34,834,000	34,834,000	32,974,783	(1,859,217)	32,512,620
R.E. Abatements - Veterans, Blinds & Other	358,412	358,412	293,988	(64,424)	292,063
R.E. Abatements - Elderly	1,493,651	1,493,651	1,407,055	(86,596)	1,556,545
State Lottery Local Aid	25,328,750	25,328,750	25,324,887	(3,863)	25,328,750

## City of Boston and County of Suffolk

## Exhibit A-3 (Continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)

Year Ended June 30, 1990

(With Comparative Actual Amounts for Year Ended June 30, 1989)

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	1989 <u>Actual</u>
Highways - Local Aid	461,800	461,800	459,168	(2,632)	474,911
Veterans Services - Local Aid	1,062,473	1,062,473	1,310,582	248,109	1,084,858
Pensions - Retired Teachers	22,100,000	22,955,100	22,955,125	25	22,220,568
Local Aid - Add'l Assistance	284,320,105	284,320,105	284,320,105	-	283,780,431
Public Library - Local Aid	-	528,035	522,501	(5,534)	523,744
Racing Taxes	467,500	467,500	429,192	(38,308)	471,658
School Construction - State	14,704,591	14,704,591	13,372,228	(1,332,363)	14,669,747
School Aid Chapter 70	46,837,340	46,837,340	67,677,955	20,840,615	67,233,435
Recreational Programs	2,091	2,091	43,355	41,264	13,366
Transportation of Pupils	10,026,607	10,026,607	9,860,806	(165,801)	10,136,731
Tuition for State Wards	709,030	709,030	763,629	54,599	735,211
Revenue class total	<u>442,706,350</u>	<u>444,089,485</u>	<u>461,715,360</u>	<u>17,625,875</u>	<u>461,034,638</u>
IN LIEU OF TAXES					
New England Deaconess Hospital	84,000	84,000	42,000	(42,000)	42,000
Boston College	64,000	64,000	68,229	4,229	64,980
New England Medical Center Hospital	350,000	350,000	300,153	(49,847)	306,595
Digital Equipment	64,200	64,200	64,200	-	21,400
Blue Cross / Blue Shield	575,000	575,000	384,341	(190,659)	1,019,694
Old City Hall	440,000	440,000	355,285	(84,715)	477,388
Boston University	230,000	230,000	295,256	65,256	274,758
Urban Redevelopment Chp121A	7,200,000	9,200,000	9,401,134	201,134	6,385,575
Miscellaneous	30,000	30,000	14,329	(15,671)	38,007

Exhibit A-3 (Continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)  
Year Ended June 30, 1990  
(With Comparative Actual Amounts for Year Ended June 30, 1989)

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	1989 <u>Actual</u>
Mass Port Authority	6,450,000	6,450,000	6,017,739	(432,261)	5,946,157
Sale of Property - Special Tax	40,000	40,000	8,064	(31,936)	41,899
State - Special Tax	20,150	20,150	33,768	13,618	74,057
Berkeley School	80,000	80,000	104,262	24,262	77,735
Trinount Foundation	10,000	10,000	14,800	4,800	15,996
Harvard Community Health Plan	200,000	200,000	248,091	48,091	266,195
Hood Milk	604,761	604,761	497,500	(107,261)	248,750
Mass General Hospital	680,000	680,000	704,367	24,367	686,352
Harvard University	1,000,000	1,000,000	1,058,531	58,531	955,537
Suffolk University	40,000	40,000	39,214	(786)	39,214
Simmons College	-	-	7,500	7,500	-
Northeastern University	30,750	30,750	89,570	58,820	30,570
New England Nursing Home	84,000	84,000	56,000	(28,000)	56,000
New England School of Law	13,125	13,125	13,124	(1)	13,125
Brighams and Womens Hospital	232,000	232,000	232,000	0	232,016
Economic Development Industrial Corp.	450,000	450,000	206,960	(243,040)	206,960
Tufts University	12,400	12,400	13,320	920	12,000
Section 2C	240,000	240,000	249,461	9,461	244,253
University Hospital	41,163	41,163	0	(41,163)	41,163
Museum of Fine Arts	11,227	11,227	47,615	36,388	11,227
ABCD	31,324	31,324	15,000	(16,324)	31,324
Revenue class total	19,308,100	21,308,100	20,581,812	(726,288)	17,860,926

## City of Boston and County of Suffolk

## Exhibit A-3 (Continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)

Year Ended June 30, 1990

(With Comparative Actual Amounts for Year Ended June 30, 1989)

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1989 Actual</u>
LICENSES AND PERMITS					
Building Structures and Permits	11,400,000	11,400,000	8,119,487	(3,280,513)	11,423,439
Weights and Measures	110,000	110,000	130,910	20,910	103,836
Street and Curb Permits	1,200,000	1,200,000	1,017,016	(182,984)	1,194,102
Health Inspections	460,000	460,000	528,089	68,089	470,888
Alcoholic Beverages Licenses	2,200,000	2,200,000	2,171,284	(28,716)	2,194,985
Entertainment Licenses	425,000	425,000	371,646	(53,354)	426,386
Police and Protective Permits	450,000	450,000	327,864	(122,136)	453,636
Professional & Occupational Licenses	110,000	110,000	100,796	(9,204)	115,975
Other Business Licenses and Permits	700,000	700,000	709,780	9,780	741,291
Cable Television	525,000	525,000	598,327	73,327	2,259,011
Revenue class total	17,580,000	17,580,000	14,075,198	(3,504,802)	19,383,549
INVESTMENT INCOME					
Interest on Investments	18,000,000	19,640,000	16,917,982	(2,722,018)	21,898,396
Certificates of Participation Invest. Income	-	-	-	-	448,395
Revenue class total	18,000,000	19,640,000	16,917,982	(2,722,018)	22,346,790
FINES					
Parking Fines	43,372,645	42,935,710	15,980,683	(26,955,027)	14,568,898
Mail Collection of Parking fines	-	-	25,235,710	25,235,710	24,572,645
Superior Criminal Court	5,000	5,000	2,738	(2,263)	1,928
Supreme Judicial Court	-	-	200	200	-

## Exhibit A-3 (Continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)

Year Ended June 30, 1990

(With Comparative Actual Amounts for Year Ended June 30, 1989)

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1989 Actual</u>
Municipal Criminal Court	410,000	410,000	348,427	(61,573)	418,075
East Boston District Court	160,000	160,000	150,149	(9,852)	153,318
Brighton District Court	400,000	400,000	314,136	(85,864)	378,878
Charlestown District Court	29,000	29,000	59,707	30,707	29,150
Dorchester District Court	530,000	530,000	490,532	(39,468)	482,884
Roxbury District Court	650,000	650,000	560,158	(89,843)	637,309
South Boston District Court	250,000	250,000	255,660	5,660	246,852
West Roxbury District Court	450,000	450,000	404,250	(45,750)	442,700
House of Correction - Regular	40,000	40,000	63,006	23,006	45,509
County Jail	10,000	10,000	6,834	(3,166)	7,725
Code Enforcement	575,000	575,000	273,514	(301,486)	
Malfunction of Fire Arms	50,000	50,000	0	(50,000)	
Revenue class total	46,931,645	46,494,710	44,145,702	(2,349,008)	41,985,871
SALE OF PROPERTY					
Sale of City Property	-	-	-	-	2,000,000
Revenue class total	-	-	-	-	2,000,000
TRANSFERS FROM OTHER FUNDS					
Appropriated Cemetery Trustee	800,000	1,470,000	1,470,000	-	699,999
Appropriated Special Revenue	8,700,000	8,700,000	8,700,000	-	9,300,000
Revenue class total	9,500,000	10,170,000	10,170,000	-	9,999,999

## City of Boston and County of Suffolk

## Exhibit A-3 (Continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)

Year Ended June 30, 1990

(With Comparative Actual Amounts for Year Ended June 30, 1989)

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	1989 <u>Actual</u>
OTHER AVAILABLE FUNDS					
Appropriated Fund Balance-- "Free Cash"	1,900,000	20,023,000	20,023,000	-	15,035,000
Revenue class total	1,900,000	20,023,000	20,023,000	-	15,035,000
Total Revenues and Other Financing Sources	1,303,575,989	1,331,241,756	1,344,629,092	13,387,336	1,291,792,075
Less Prior Year Deficits	999,879	999,879	999,879	-	4,226,321
Net Revenue Available for Appropriation	\$ 1,302,576,110	\$ 1,330,241,877	\$ 1,343,629,213	\$ 13,387,336	\$ 1,287,565,754

## Exhibit A-4

## GENERAL FUND

## Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non-GAAP)

Year Ended June 30, 1990

(With Comparative Actual Amounts for Year Ended June 30, 1989)

<u>Budget Title</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	1989 <u>Actual</u>
GENERAL GOVERNMENT					
Mayor's Office	\$ 1,003,135	\$ 1,003,135	\$ 977,117	\$ 26,018	\$ 998,772
City Council	2,452,629	2,452,629	2,303,261	149,368	2,220,677
Consumer Affairs and Licensing	440,116	445,116	405,751	39,365	596,634
Election Department	2,333,110	2,353,110	2,225,763	127,347	2,266,308
Election Department – Listing Board	450,000	430,000	423,803	6,197	377,960
Auditing Department	1,595,258	1,595,258	1,359,681	235,577	1,506,328
Assessing Department	6,684,972	6,684,972	6,159,813	525,159	6,535,999
Treasury Department – Collecting Division	2,358,983	2,358,983	2,181,523	177,460	2,206,793
Treasury Department – Treasury Division	1,279,788	1,279,788	1,111,055	168,733	1,130,193
Administrative Services – Budget/Program Evaluation	2,507,671	2,497,221	2,126,249	370,972	2,353,596
Administrative Services – Personnel Management	1,732,847	1,732,847	1,670,362	62,485	1,798,969
Administrative Services – Purchasing Division	985,623	985,623	987,385	(1,762)	1,057,397
Administrative Services – Contract Management	184,606	184,606	174,736	9,870	161,694
Administrative Services – Printing Division	2,061,398	2,061,398	1,885,855	175,543	2,010,352
Administrative Services – Cable & Telecommunications	474,338	474,338	464,727	9,611	467,817
Administrative Services – Labor Relations	365,799	365,799	351,066	14,733	339,500
Administrative Services – Management Information Sys	8,150,000	8,150,000	7,610,000	540,000	8,150,742
Administrative Services – Intergovernmental Relations	585,000	595,450	591,242	4,208	625,536
Administrative Services – Minority/Womens Business	220,000	220,000	172,888	47,112	-
Law Department	3,165,000	3,190,000	3,305,921	(115,921)	3,204,438
Major Vendor Clearing Account	-	-	220,498	(220,498)	643,479

## City of Boston and County of Suffolk

## Exhibit A-4

## GENERAL FUND

## Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non-GAAP)

Year Ended June 30, 1990

(With Comparative Actual Amounts for Year Ended June 30, 1989)

<u>Budget Title</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	1989 <u>Actual</u>
Res. for Mac Payrolls	-	-	200,000	(200,000)	-
FY'89 Early Retirement Incentive	-	-	-	-	1,311,795
City Clerk	624,571	624,571	498,011	126,560	497,223
Registry Division	666,650	666,650	653,663	12,987	655,252
Finance Commission	151,362	151,362	143,870	7,492	135,348
Freedom Trail Commission	-	-	-	-	265,000
Reserve Fund	-	725,000	725,000	-	3,900,000
Policy Office	645,200	645,200	602,526	42,674	667,719
Fair Housing Commission	240,822	240,822	132,600	108,222	217,632
Emergency Shelter Commission	206,827	206,827	197,648	9,179	155,833
Reallocation Account	-	5,000	-	5,000	-
Press Office	205,000	205,000	192,689	12,311	207,654
Neighborhood Services	1,294,780	1,294,780	1,187,299	107,481	1,286,687
Business and Cultural Development	1,180,000	1,180,000	1,077,093	102,907	1,414,754
Capital Planning	420,500	420,500	403,824	16,676	403,352
Women's Commission	112,120	114,120	109,843	4,278	98,693
Human Rights Commission	234,231	239,231	227,282	11,949	247,678
Costs of Issuance - Rans	500,000	500,000	243,616	256,384	145,319
Annual Audit Costs	650,000	650,000	532,486	117,514	448,011
Activity Total	46,162,336	46,929,336	43,836,143	3,093,193	50,711,132



Exhibit A-4

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non-GAAP)  
Year Ended June 30, 1990  
(With Comparative Actual Amounts for Year Ended June 30, 1989)

<u>Budget Title</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1989 Actual</u>
HUMAN SERVICES					
Rent Equity Board	1,230,014	1,230,014	1,194,556	35,458	1,274,532
Elderly Commission	2,299,993	2,299,993	2,154,703	145,290	2,289,549
Commission on the Handicapped	180,283	180,283	171,646	8,637	159,768
Arts and Humanities Office	199,961	199,961	195,764	4,197	207,220
Veterans Services Department	2,633,810	2,633,810	2,586,928	46,882	2,506,364
Veterans Graves Registration	163,871	163,871	117,154	46,717	146,393
Jobs and Community Services	333,048	833,048	748,741	84,307	369,208
Activity Total	7,040,980	7,540,980	7,169,492	371,488	6,953,034
PUBLIC SAFETY					
Police Department	124,114,441	124,214,441	126,125,434	(1,910,993)	117,145,705
Fire Department	85,510,887	85,510,887	85,799,720	(288,833)	79,587,424
Arson Commission	-	-	-	-	175,671
Traffic and Parking department	12,850,000	13,702,500	13,707,885	(5,385)	13,707,890
Licensing Board	542,007	542,007	432,134	109,873	449,826
Transportation - Parking Clerk	7,550,000	7,647,500	7,614,507	32,993	7,474,463
Inspectional Services Department	9,820,000	10,120,000	10,338,048	(218,048)	10,003,569
Activity Total	240,387,335	241,737,335	244,017,728	(2,280,393)	228,544,547
PUBLIC WORKS					
Public Works Department	66,680,000	66,680,000	61,699,883	4,980,117	60,281,837
Snow Removal	2,250,000	2,250,000	4,024,283	(1,774,283)	2,360,327
Activity Total	68,930,000	68,930,000	65,724,166	3,205,834	62,642,164

## City of Boston and County of Suffolk

## Exhibit A-4

## GENERAL FUND

## Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non-GAAP)

Year Ended June 30, 1990

(With Comparative Actual Amounts for Year Ended June 30, 1989)

<u>Budget Title</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1989 Actual</u>
<b>PROPERTY AND DEVELOPMENT</b>					
Real Property - Administration	621,435	607,731	579,824	27,907	416,570
Real Property - County	-	-	-	-	354,328
Real Property - Building Division	5,622,785	5,636,285	5,650,923	(14,638)	6,038,465
Real Property - Property Division	1,335,240	1,335,444	1,369,692	(34,248)	1,806,427
Real Property - Code Enforcement	-	-	-	-	458,984
Public Facilities - Administration	-	11,201,129	11,082,693	118,436	4,697,168
Public Facilities - Construction/Repair	11,201,129	-	-	-	2,808,267
Public Facilities - Security Division	-	-	-	-	3,824,715
PFD - Community Schools Programs	8,656,580	8,674,580	8,489,446	185,134	7,739,850
Activity Total	<u>27,437,169</u>	<u>27,455,169</u>	<u>27,172,579</u>	<u>282,590</u>	<u>28,144,773</u>
<b>PARKS AND RECREATION</b>					
Parks and Recreation Department	12,500,000	12,500,000	12,170,868	329,132	12,889,095
Environmental Division	589,968	594,968	590,204	4,764	597,268
Cemetery Division	1,137,000	1,807,000	1,707,775	99,225	1,194,581
Activity Total	<u>14,226,968</u>	<u>14,901,968</u>	<u>14,468,847</u>	<u>433,121</u>	<u>14,680,945</u>
<b>LIBRARY</b>					
Library Department	19,957,300	22,253,960	21,853,153	400,807	21,471,643
Activity Total	<u>19,957,300</u>	<u>22,253,960</u>	<u>21,853,153</u>	<u>400,807</u>	<u>21,471,643</u>

Exhibit A-4

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non-GAAP)

Year Ended June 30, 1990

(With Comparative Actual Amounts for Year Ended June 30, 1989)

<u>Budget Title</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1989 Actual</u>
<b>SCHOOLS</b>					
General School Purposes	355,200,000	371,090,077	374,416,994	(3,326,917)	355,390,710
Activity Total	<u>355,200,000</u>	<u>371,090,077</u>	<u>374,416,994</u>	<u>(3,326,917)</u>	<u>355,390,710</u>
<b>HEALTH AND HOSPITALS</b>					
Health and Hospitals Department	183,750,000	187,948,000	186,811,650	1,136,350	179,412,798
Activity Total	<u>183,750,000</u>	<u>187,948,000</u>	<u>186,811,650</u>	<u>1,136,350</u>	<u>179,412,798</u>
<b>COUNTY CORRECTIONS</b>					
Registry of Deeds	1,734,736	1,734,736	1,549,955	184,781	1,656,792
Courthouse Custodian	-	-	-	-	1,528,097
Suffolk County Jail	11,799,140	11,799,140	11,424,885	374,255	8,902,601
Penal Department	11,749,878	11,749,878	13,555,235	(1,805,357)	11,299,930
Activity Total	<u>25,283,754</u>	<u>25,283,754</u>	<u>26,530,075</u>	<u>(1,246,321)</u>	<u>23,387,419</u>
<b>JUDGEMENTS AND CLAIMS</b>					
Execution of Courts	4,750,000	4,750,000	7,124,200	(2,374,200)	6,006,879
Activity Total	<u>4,750,000</u>	<u>4,750,000</u>	<u>7,124,200</u>	<u>(2,374,200)</u>	<u>6,006,879</u>
<b>EMPLOYEE BENEFITS</b>					
Medicare Payments	1,365,000	1,365,000	1,343,315	21,685	1,037,911
ASD - Hospitalization and Insurance	43,125,000	47,975,000	50,507,332	(2,532,332)	39,611,825

## City of Boston and County of Suffolk

## Exhibit A-4

## GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non-GAAP)  
 Year Ended June 30, 1990  
 (With Comparative Actual Amounts for Year Ended June 30, 1989)

<u>Budget Title</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1989 Actual</u>
Retirement Board	1,652,046	2,052,046	2,047,746	4,300	1,749,987
Worker's Compensation Services	395,847	395,847	332,445	63,402	336,604
Worker's Compensation Fund	2,000,000	2,000,000	3,274,888	(1,274,888)	2,635,788
Activity Total	48,537,893	53,787,893	57,505,726	(3,717,833)	45,372,114
CONTRIBUTIONS TO RETIREMENT FUNDS					
Unemployment Compensation	50,000	50,000	35,303	14,697	2,490
Pensions and Annuities - City	9,650,000	9,650,000	9,106,069	543,931	9,226,460
Pensions and Annuities - County	780,000	780,000	753,696	26,304	770,494
State - Boston Retirement System	114,176,816	114,176,816	114,176,816	-	120,533,116
Activity Total	124,656,816	124,656,816	124,071,884	584,932	130,532,560
DEBT REQUIREMENTS					
Redemption of City Loans	49,390,000	49,390,000	49,390,000	-	47,245,000
City Debt and Interest payments	33,130,819	33,130,819	32,932,733	198,086	30,944,708
Interest on Temporary Loans	3,600,000	658,026	-	658,026	-
Activity Total	86,120,819	83,178,845	82,322,733	856,112	78,189,708

## Exhibit A-4

## GENERAL FUND

## Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non-GAAP)

Year Ended June 30, 1990

(With Comparative Actual Amounts for Year Ended June 30, 1989)

<u>Budget Title</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	1989 <u>Actual</u>
STATE AND DISTRICT ASSESSMENTS					
State Exam of Retirement	225,014	225,014	225,014	-	251,151
Health Insurance/Retirement	1,472,658	1,472,658	1,472,658	-	1,172,323
Mosquito Control Projects	69,481	150,695	150,695	-	64,191
Special Education Chapter 766	414,347	-	628,897	(628,897)	-
Suffolk County Extension Service	3,863	-	-	-	-
Metropolitan Air Pollution Center	115,448	115,448	115,448	-	112,936
Metropolitan Area Planning	111,967	111,967	111,967	-	109,270
M.B.T.A. Assessments	47,710,464	47,802,106	47,592,058	210,048	46,600,933
M.D.C. Assessments	11,498	11,498	11,399	99	11,399
Activity Total	50,134,740	49,889,386	50,308,136	(418,750)	48,322,203
Total Expenditures	\$ 1,302,576,110	\$ 1,330,333,519	\$ 1,333,333,506	\$ (2,999,987)	\$ 1,279,762,630

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# SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than Debt Service, Expendable Trusts or Capital Projects) that are legally restricted for specific purposes.

## *School Lunch Program*

Accounts for the money received from the U.S. Department of Agriculture to provide nutritious meals for Boston Public School students.

## *Community Development Block Grant*

Accounts for the use of grants received from the Department of Housing and Urban Development for housing, community development and social programs.

## *Urban Development Action Grant*

Accounts for the use of grants received from the Department of Housing and Urban Development for housing, community development and social programs.

## *Jobs Training Partnership Act*

Are funds received from the U.S. Department of Labor and the Commonwealth of Massachusetts for various job training programs which benefit low and moderate income residents of the City.

## *ECIA Chapter 1*

This fund accounts for money received from the U.S. Department of Education to provide instruction to students from low-income households.

## *Neighborhood Development Fund*

Accounts for loan repayments from Urban Development Action Grants which provide real estate loans to low and moderate income residents of the City.

## *Other Special Revenue Funds*

This fund accounts for an array of state, federal and local grant funds that support programs administered by various municipal departments.

## *Boston Redevelopment Authority*

Accounts for funds provided by capital projects, Community Development Block Grants, Urban Development Action Grants and the Neighborhood Development Fund. The Authority was created for the general purpose of planning, coordinating and assisting in the revitalization and development of the Boston area.

City of Boston and County of Suffolk

Exhibit B-1

SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 1990

(With Comparative Totals for June 30, 1989)

	School Lunch Program	Community Development Block Grant	Urban Development Action Grant	Job Training Partnership Act
<b>ASSETS</b>				
Cash and short-term investments	\$ 8,062,832	\$ 8,467,721	\$ 6,692,654	\$ 2,203,571
Other investments	-	-	-	-
Receivables (net of allowances for uncollectible amounts):				
Intergovernmental	-	-	-	-
Accounts	-	467,741	-	242,236
Notes	-	-	-	-
Due from other funds	(3,260,298)	(5,490,347)	(2,204,978)	916,147
Other assets	-	-	-	-
Total assets	<u>\$ 4,802,534</u>	<u>\$ 3,445,115</u>	<u>\$ 4,487,676</u>	<u>\$ 3,361,954</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Warrants and accounts payable	\$ -	\$ -	\$ 31,901	\$ 643,677
Accrued liabilities:				
Other	-	-	-	-
Due to other funds	-	-	-	(3,789)
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>31,901</u>	<u>639,888</u>
Fund Balances:				
Reserved for:				
Encumbrances and continuing appropriations	-	5,007,521	3,469,959	3,440,394
Unreserved:				
Designated	-	-	-	(718,328)
Undesignated	4,802,534	(1,562,406)	985,816	-
Total fund balance	<u>4,802,534</u>	<u>3,445,115</u>	<u>4,455,775</u>	<u>2,722,066</u>
Total liabilities and fund balance	<u>\$ 4,802,534</u>	<u>\$ 3,445,115</u>	<u>\$ 4,487,676</u>	<u>\$ 3,361,954</u>



City of Boston and County of Suffolk

Exhibit B-1 (Continued)

SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 1990

(With Comparative Totals for June 30, 1989)

ECIA Chapter 1	Neighborhood Development	Other Special Revenue	Boston Redevelopment Authority	Totals	
				1990	1989
\$ 1,892,957	\$ 4,131,191	\$ -	\$ 3,273,797	\$ 34,724,723	\$ 32,123,676
-	-	-	-	-	7,306,290
-	-	1,467,316	681	1,467,997	48,592
-	-	257,990	26,082	994,049	2,772,062
-	-	-	123,221	123,221	844,852
1,586,485	16,659,919	10,633,774	5,260,253	24,100,955	16,431,309
-	-	-	250,955	250,955	226,911
<u>\$ 3,479,442</u>	<u>\$ 20,791,110</u>	<u>\$ 12,359,080</u>	<u>\$ 8,934,989</u>	<u>\$ 61,661,900</u>	<u>\$ 59,753,692</u>
\$ -	\$ 1,635,265	\$ 3,271,350	\$ 2,891,455	\$ 8,473,648	\$ 9,013,654
-	-	11,288,131	2,689,850	13,977,981	21,597,521
-	-	838,139	-	834,350	1,804,700
-	-	9,212,010	-	9,212,010	10,079,051
<u>-</u>	<u>1,635,265</u>	<u>24,609,630</u>	<u>5,581,305</u>	<u>32,497,989</u>	<u>42,494,926</u>
-	1,489,746	6,895,548	-	20,303,168	22,780,238
-	-	-	-	(718,328)	-
3,479,442	17,666,099	(19,146,098)	3,353,684	9,579,071	(5,521,472)
<u>3,479,442</u>	<u>19,155,845</u>	<u>(12,250,550)</u>	<u>3,353,684</u>	<u>29,163,911</u>	<u>17,258,766</u>
<u>\$ 3,479,442</u>	<u>\$ 20,791,110</u>	<u>\$ 12,359,080</u>	<u>\$ 8,934,989</u>	<u>\$ 61,661,900</u>	<u>\$ 59,753,692</u>

City of Boston and County of Suffolk

Exhibit B-2

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 1990

(With Comparative Totals for June 30, 1989)

	School Lunch Program	Community Development Block Grant	Urban Development Action Grant	Jobs Training Partnership Act
<b>REVENUES</b>				
Local:				
Investment income	\$ -	\$ -	\$ -	\$ -
Departmental and other revenue	-	-	-	-
Total local revenues	-	-	-	-
Intergovernmental:				
Federal	11,205,392	25,862,523	3,756,254	10,231,057
Commonwealth of Massachusetts	-	-	-	-
Total intergovernmental revenues	11,205,392	25,862,523	3,756,254	10,231,057
Total revenues	11,205,392	25,862,523	3,756,254	10,231,057
<b>EXPENDITURES</b>				
Current operations:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Library	-	-	-	-
Parks and recreation	-	-	-	-
Community development	-	16,831,037	1,111,168	-
Human services	-	-	-	10,994,453
Schools	13,491,955	-	-	-
Miscellaneous	-	-	-	-
Capital outlays	-	-	-	-
Total expenditures	13,491,955	16,831,037	1,111,168	10,994,453
Excess (deficiency) of revenues over expenditures	(2,286,563)	9,031,486	2,645,086	(763,396)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in (out), net	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(2,286,563)	9,031,486	2,645,086	(763,396)
Fund equity, beginning of year	7,089,097	(5,586,371)	1,810,689	3,485,462
Fund equity, end of year	\$ 4,802,534	\$ 3,445,115	\$ 4,455,775	\$ 2,722,066

City of Boston and County of Suffolk

Exhibit B-2 (continued)

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 1990

(With Comparative Totals for June 30, 1989)

ECIA Chapter 1	Neighborhood Development	Other Special Revenue	Boston Redevelopment Authority	Totals	
				1990	1989
\$ -	\$ -	\$ -	\$ 86,576	\$ 86,576	\$ 182,208
-	17,477,765	10,804,937	80,679	28,363,381	29,181,881
-	17,477,765	10,804,937	167,255	28,449,957	29,364,089
17,044,713	-	12,626,761	-	80,726,700	79,394,633
-	-	29,808,057	-	29,808,057	14,422,609
17,044,713	-	42,434,818	-	110,534,757	93,817,242
17,044,713	17,477,765	53,239,755	167,255	138,984,714	123,181,331
-	-	653,787	-	653,787	524,782
-	-	15,210,609	-	15,210,609	12,736,915
-	-	7,454,624	-	7,454,624	5,878,138
-	-	1,242,295	-	1,242,295	1,359,887
-	-	2,395,091	-	2,395,091	1,972,120
-	1,835,593	7,322,298	-	27,100,096	33,631,147
-	-	644,558	-	11,639,011	12,849,184
15,151,756	-	24,775,523	-	53,419,234	53,675,087
-	-	-	-	-	63
-	-	3,539,527	126,298	3,665,825	2,636,995
15,151,756	1,835,593	63,238,312	126,298	122,780,572	125,264,318
1,892,957	15,642,172	(9,998,557)	40,957	16,204,142	(2,082,987)
-	-	(4,299,000)	-	(4,299,000)	(9,543,000)
-	-	(4,299,000)	-	(4,299,000)	(9,543,000)
1,892,957	15,642,172	(14,297,557)	40,957	11,905,142	(11,625,987)
1,586,485	3,513,673	2,047,007	3,312,727	17,258,769	28,884,756
\$ 3,479,442	\$ 19,155,845	\$ (12,250,550)	\$ 3,353,684	\$ 29,163,911	\$ 17,258,769

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## DEBT SERVICE FUNDS

This fund is used to account for the accumulation of resources for, and the payment of general long-term debt, interest and related costs.

City of Boston and County of Suffolk

Exhibit C-1

DEBT SERVICE FUND  
Comparative Balance Sheet  
June 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
<b>ASSETS</b>		
Cash and short-term investments	\$ 18,667	\$ 25,374,171
Other investments	54,449,241	65,390,590
Due from other funds	1,995,480	203,471
Total assets	<u>\$ 56,463,388</u>	<u>\$ 90,968,232</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Matured interest and bonds payable	\$ 1,995,480	\$ 3,033,791
Total liabilities	<u>1,995,480</u>	<u>3,033,791</u>
<b>Fund Balances:</b>		
<b>Reserved for:</b>		
Debt service	54,467,908	87,934,441
Total fund balance	<u>54,467,908</u>	<u>87,934,441</u>
Total liabilities and fund balance	<u>\$ 56,463,388</u>	<u>\$ 90,968,232</u>

City of Boston and County of Suffolk

Exhibit C-2

**DEBT SERVICE FUND**  
Comparative Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Year Ended June 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
<b>REVENUES:</b>		
Local:		
Designated excises	\$ -	\$ 970,500
Investment income	-	2,245,824
Total local revenues	<u>-</u>	<u>3,216,324</u>
Intergovernmental:		
Other	967,700	1,060,593
Total intergovernmental revenues	<u>967,700</u>	<u>1,060,593</u>
Total revenues	<u>967,700</u>	<u>4,276,917</u>
<b>EXPENDITURES:</b>		
Current:		
Principal retirement	81,034,000	67,871,684
Interest	29,443,634	33,060,845
Total expenditures	<u>110,477,634</u>	<u>100,932,529</u>
Excess (deficiency) of revenues over expenditures	<u>(109,509,934)</u>	<u>(96,655,612)</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers in (out):		
General Fund	79,444,369	75,536,265
Capital Projects Fund	(3,400,968)	(5,655,294)
Total other financing sources (uses), net	<u>76,043,401</u>	<u>69,880,971</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(33,466,533)	(26,774,641)
Fund equity, beginning of year	87,934,441	114,709,082
Fund equity, end of year	\$ <u><u>54,467,908</u></u>	\$ <u><u>87,934,441</u></u>

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# CAPITAL PROJECT FUNDS

These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. Such resources are derived principally from proceeds of general obligation bonds and from federal and state grants.

## *Departmental Equipment*

Used to account for capital equipment provided to all City Departments ranging from computer hardware to fire trucks and snow plows.

## *School Projects*

Accounts for the construction, renovation and repairs to all school buildings.

## *Public Buildings*

Accounts for the construction, renovation and repairs to all City owned buildings.

## *Hospital Department*

Accounts for the construction, renovation and repairs to Boston City Hospital and its affiliates.

## *Urban and Economic Development*

Accounts for the construction, renovation or rehabilitation to buildings or structures approved by the City's planning Board.

## *Parks and Recreation*

Accounts for the construction and repair to park areas throughout the City.

## *Public Works*

Accounts for the construction, maintenance and repair of public work projects such as bridges, street lighting, sidewalks, water mains and sewer drainage.

## *Chapter 90 Public Ways*

Accounts for the design, engineering, construction and reconstruction of major roadways, streets and sidewalks.

## *Trust Funds*

Accounts for those monies authorized for specific capital purposes as designated by each trust.

## *Other Capital Project Funds*

Account for other miscellaneous sources and expenditures for various projects.

## *Boston Redevelopment Authority*

Is the City's general planning agency and administers funds specifically designated for the redevelopment of the City's downtown area and inner-city neighborhoods.

City of Boston and County of Suffolk

Exhibit D-1

**CAPITAL PROJECTS FUNDS**  
Combining Balance Sheet  
June 30, 1990  
(With Comparative Totals for June 30, 1989)

	<u>Departmental Equipment</u>	<u>School Projects</u>	<u>Public Buildings</u>
<b>ASSETS</b>			
Cash and short-term investments	\$ 2,071,595	\$ 23,915,135	\$ 24,812,034
Receivables (net of allowances for uncollectible amounts):			
Intergovernmental	-	-	-
Accounts	-	-	-
Notes	-	-	-
Due from other funds	-	-	-
Other Assets	-	-	-
Total assets	\$ <u>2,071,595</u>	\$ <u>23,915,135</u>	\$ <u>24,812,034</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Warrants and accounts payable	\$ -	\$ 170,075	\$ 225,500
Accrued liabilities:			
Judgments and claims	-	-	-
Other	-	-	-
Intergovernmental	-	-	-
Due to other funds	-	-	-
Matured interest and bonds payable	-	-	-
Deferred revenue	-	-	-
Total liabilities	<u>-</u>	<u>170,075</u>	<u>225,500</u>
Fund Balances:			
Reserved for:			
Encumbrances and continuing appropriations	1,331,117	8,735,800	27,623,925
Unreserved:			
Undesignated	740,478	15,009,260	(3,037,391)
Total fund balance	<u>2,071,595</u>	<u>23,745,060</u>	<u>24,586,534</u>
Total liabilities and fund balances	\$ <u>2,071,595</u>	\$ <u>23,915,135</u>	\$ <u>24,812,034</u>

City of Boston and County of Suffolk

Exhibit D-1 (Continued)

CAPITAL PROJECTS FUNDS

Combining Balance Sheet

June 30, 1990

(With Comparative Totals for June 30, 1989)

<u>Hospital Department</u>	<u>Urban &amp; Economic Development</u>	<u>Parks &amp; Recreation</u>	<u>Parking Facilities</u>
\$ 6,879,490	\$ 7,407,413	\$ 4,549,644	\$ 488,955
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 6,879,490</u>	<u>\$ 7,407,413</u>	<u>\$ 4,549,644</u>	<u>\$ 488,955</u>
\$ 480,918	\$ 24,720	\$ 64,510	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>480,918</u>	<u>24,720</u>	<u>64,510</u>	<u>-</u>
6,723,643	1,034,807	3,332,188	-
(325,071)	6,347,886	1,152,946	488,955
<u>6,398,572</u>	<u>7,382,693</u>	<u>4,485,134</u>	<u>488,955</u>
<u>\$ 6,879,490</u>	<u>\$ 7,407,413</u>	<u>\$ 4,549,644</u>	<u>\$ 488,955</u>

City of Boston and County of Suffolk

Exhibit D-1

**CAPITAL PROJECTS FUNDS**  
**Combining Balance Sheet**  
**June 30, 1990**  
**(With Comparative Totals for June 30, 1989)**

	<u>Public Works</u>	<u>Chapter 90 Public Ways</u>	<u>Trust Fund</u>
<b>ASSETS</b>			
Cash and short-term investments	\$ 14,061,232	\$ (3,656,402)	\$ (42,798)
Receivables (net of allowances for uncollectible amounts):			
Intergovernmental	-	7,051,211	-
Accounts	-	-	-
Notes	-	-	-
Due from other funds	-	-	-
Other Assets	-	-	-
Total assets	<u>\$ 14,061,232</u>	<u>\$ 3,394,809</u>	<u>\$ (42,798)</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Warrants and accounts payable	\$ 614,544	\$ 606,986	\$ -
Accrued liabilities:			
Judgments and claims	-	-	-
Other	-	-	-
Intergovernmental	-	-	-
Due to other funds	280,326	-	-
Matured interest and bonds payable	-	-	-
Deferred revenue	-	-	-
Total liabilities	<u>894,870</u>	<u>606,986</u>	<u>-</u>
Fund Balances:			
Reserved for:			
Encumbrances and continuing appropriations	7,958,074	1,879,697	310,093
Unreserved:			
Undesignated	5,208,288	908,126	(352,891)
Total fund balance	<u>13,166,362</u>	<u>2,787,823</u>	<u>(42,798)</u>
Total liabilities and fund balances	<u>\$ 14,061,232</u>	<u>\$ 3,394,809</u>	<u>\$ (42,798)</u>

City of Boston and County of Suffolk

Exhibit D-1 (Continued)

CAPITAL PROJECTS FUNDS

Combining Balance Sheet

June 30, 1990

(With Comparative Totals for June 30, 1989)

Other Capital Projects	Boston Redevelopment Authority	Totals	
		1990	1989
\$ 3,415,462	\$ 19,457,241	\$ 103,359,001 ✓	\$ 103,203,574
-	7,089,739	14,140,950 ✓	12,029,196
-	4,909,531	4,909,531 ✓	2,839,078
-	1,050,827	1,050,827 ✓	2,110,032
-	-	- ✓	1,640,664
-	13,181,442	13,181,442 ✓	12,274,190
<u>\$ 3,415,462</u>	<u>\$ 45,688,780</u>	<u>\$ 136,641,751</u>	<u>\$ 134,096,734</u>
\$ 2,205,710	\$ -	\$ 4,392,963 ✓	\$ 16,116,830
-	888,200	888,200 ✓	1,706,300
-	5,863,578	5,863,578 ✓	3,625,301
112,701	-	112,701 ✓	112,701
-	4,310,242	4,590,568 ✓	10,963,953
-	9,900,000	9,900,000 ✓	25,630,000
-	4,027,325	4,027,325	2,677,812
<u>2,318,411</u>	<u>24,989,345</u>	<u>29,775,335</u>	<u>60,832,897</u>
27,681	-	58,957,025	54,287,995
1,069,370	20,699,435	47,909,391	18,975,842
<u>1,097,051</u>	<u>20,699,435</u>	<u>106,866,416</u>	<u>73,263,837</u>
<u>\$ 3,415,462</u>	<u>\$ 45,688,780</u>	<u>\$ 136,641,751</u>	<u>\$ 134,096,734</u>

City of Boston and County of Suffolk

Exhibit D-2

**CAPITAL PROJECTS FUNDS**  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Year Ended June 30, 1990  
(With Comparative Totals for June 30, 1989)

	<u>Departmental Equipment</u>	<u>School Projects</u>	<u>Public Buildings</u>
<b>REVENUES</b>			
Local:			
Departmental and other	\$ -	\$ -	\$ 349,085
Investment income	-	-	-
Total local revenues	<u>-</u>	<u>-</u>	<u>349,085</u>
Intergovernmental:			
Federal	-	-	-
State	-	-	-
Total intergovernmental revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>-</u>	<u>-</u>	<u>349,085</u>
<b>EXPENDITURES</b>			
Retirement costs	-	-	-
Capital outlays	2,565,562	11,931,357	7,552,032
Debt service	63,613	431,343	441,796
Total expenditures	<u>2,629,175</u>	<u>12,362,700</u>	<u>7,993,828</u>
Excess (deficiency) of revenues over expenditures	<u>(2,629,175)</u>	<u>(12,362,700)</u>	<u>(7,644,743)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds of debt	3,950,000	22,415,000	14,104,354
Operating transfers in (out), net	-	-	-
Total other financing sources (uses)	<u>3,950,000</u>	<u>22,415,000</u>	<u>14,104,354</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	1,320,825	10,052,300	6,459,611
Fund equity, beginning of year	<u>750,770</u>	<u>13,692,760</u>	<u>18,126,923</u>
Fund equity, end of year	\$ <u><u>2,071,595</u></u>	\$ <u><u>23,745,060</u></u>	\$ <u><u>24,586,534</u></u>

City of Boston and County of Suffolk

Exhibit D-2 (Continued)

**CAPITAL PROJECTS FUNDS**  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Year Ended June 30, 1990  
(With Comparative Totals for June 30, 1989)

<u>Hospital Department</u>	<u>Urban &amp; Economic Development</u>	<u>Parks &amp; Recreation</u>	<u>Parking Facilities</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	2,686,297	-
-	-	2,686,297	-
-	-	2,686,297	-
-	-	-	-
-	2,446,641	6,031,745	-
1,629,230	33,579	149,306	-
1,629,230	2,480,220	6,181,051	-
(1,629,230)	(2,480,220)	(3,494,754)	-
35,675,646	845,000	7,860,000	-
(26,314,143)	-	-	-
9,361,503	845,000	7,860,000	-
7,732,273	(1,635,220)	4,365,246	-
(1,333,701)	9,017,913	119,888	488,955
\$ 6,398,572	\$ 7,382,693	\$ 4,485,134	\$ 488,955

City of Boston and County of Suffolk

Exhibit D-2

**CAPITAL PROJECTS FUNDS**  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Year Ended June 30, 1990  
(With Comparative Totals for June 30, 1989)

	<u>Public Works</u>	<u>Chapter 90 Public Ways</u>	<u>Trust Fund</u>
<b>REVENUES</b>			
Local:			
Departmental and other	\$ 947,817	\$ 1,692,958	\$ -
Investment income	-	-	-
Total local revenues	<u>947,817</u>	<u>1,692,958</u>	<u>-</u>
Intergovernmental:			
Federal	-	-	-
State	-	4,365,514	1,485,264
Total intergovernmental revenues	<u>-</u>	<u>4,365,514</u>	<u>1,485,264</u>
Total revenues	<u>947,817</u>	<u>6,058,472</u>	<u>1,485,264</u>
<b>EXPENDITURES</b>			
Retirement costs	-	-	-
Capital outlays	14,517,360	3,076,275	1,562,453
Debt service	375,925	-	-
Total expenditures	<u>14,893,285</u>	<u>3,076,275</u>	<u>1,562,453</u>
Excess (deficiency) of revenues over expenditures	<u>(13,945,468)</u>	<u>2,982,197</u>	<u>(77,189)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds of debt	20,880,000	-	-
Operating transfers in (out), net	-	-	-
Total other financing sources (uses)	<u>20,880,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	6,934,532	2,982,197	(77,189)
Fund equity, beginning of year	<u>6,231,830</u>	<u>(194,374)</u>	<u>34,391</u>
Fund equity, end of year	<u>\$ 13,166,362</u>	<u>\$ 2,787,823</u>	<u>\$ (42,798)</u>



City of Boston and County of Suffolk

Exhibit D-2 (Continued)

CAPITAL PROJECTS FUNDS

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance

Year Ended June 30, 1990

(With Comparative Totals for June 30, 1989)

Other Capital Projects	Boston Redevelopment Authority	Total	
		1990	1989
\$ -	\$ 20,632,140	\$ 23,622,000	\$ 30,335,752
-	1,516,633	1,516,633	1,752,455
-	22,148,773	25,138,633	32,088,207
-	2,742,403	2,742,403	1,544,380
-	-	8,537,075	2,863,594
-	2,742,403	11,279,478	4,407,974
-	24,891,176	36,418,111	36,496,181
-	1,021,000	1,021,000	647,453
16,592,437	28,161,703	94,437,565	158,120,495
-	-	3,124,792	2,169,643
16,592,437	29,182,703	98,583,357	160,937,591
(16,592,437)	(4,291,527)	(62,165,246)	(124,441,410)
8,652,000	-	114,382,000	113,694,000
3,400,968	4,299,000	(18,614,175)	7,745,227
12,052,968	4,299,000	95,767,825	121,439,227
(4,539,469)	7,473	33,602,579	(3,002,183)
5,636,520	20,691,962	73,263,837	76,266,020
\$ 1,097,051	\$ 20,699,435	\$ 106,866,416	\$ 73,263,837

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## ENTERPRISE FUNDS

These funds are used to account for activities operated in a manner similar to private business enterprise or where periodic determination of revenues, expenses and net income is needed.

### *Department of Health and Hospitals*

Is the principal provider in the City of acute hospital care for the indigent and other government-assisted patients. The Department is comprised of three hospitals: Boston City, Long Island and Mattapan. Additionally, the Department operates an extensive network of community health centers.

### *Trustees of Health and Hospitals*

Is a non-profit corporation established in 1965 by legislative enactment of the Commonwealth of Massachusetts. The Trustees principal activities are the financial administration of numerous grants and contracts, community health programs and medical research, primarily under the sponsorship of federal, state and city agencies.

### *Economic Development Industrial Corporation*

Is a quasi-public agency of the City of Boston and an instrumentality of the state, whose purpose is to create and retain industrial companies and jobs through economic development, industrial real estate management, financing and job training.

City of Boston and County of Suffolk  
Exhibit E-1  
**ENTERPRISE FUNDS**  
Combining Balance Sheet  
June 30, 1990  
(With Comparative Totals For June 30, 1989)

	<u>Department of Health &amp; Hospitals</u>	<u>Trustees of Health &amp; Hospitals</u>
<b>ASSETS</b>		
Cash and short-term investments	\$ 3,536,692	\$ 2,915,359
Receivables (net of allowances for uncollectibles):		
Intergovernmental	-	-
Accounts	45,496,260	11,581,871
Loans	-	-
Inventories	1,529,262	-
Due from other funds	39,802,829	-
Other assets	-	131,560
Property, plant and equipment (net of accumulated depreciation)	99,303,096	210,918
Total assets	\$ <u>189,668,139</u>	\$ <u>14,839,708</u>
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Warrants and accounts payable	\$ 22,074,946	\$ 2,645,514
Accrued liabilities:		
Judgments and claims	2,581,318	-
Sick and vacation	6,220,079	-
Retirement costs	39,541,951	-
Third-party payors of health care costs	11,425,292	-
Other	5,558,578	764,153
Intergovernmental	-	6,633,900
Deferred revenue	2,962,879	-
Due to other funds	-	3,310,966
Obligations under capital lease	3,062,839	-
General obligation bonds and notes payable	-	-
Total liabilities	<u>93,427,882</u>	<u>13,354,533</u>
Fund Equity:		
Proprietary fund equity	96,240,257	1,485,175
Total fund equity	<u>96,240,257</u>	<u>1,485,175</u>
Total liabilities and fund equity	\$ <u>189,668,139</u>	\$ <u>14,839,708</u>

City of Boston and County of Suffolk  
Exhibit E-1 (Continued)  
ENTERPRISE FUNDS  
Combining Balance Sheet  
June 30, 1990  
(With Comparative Totals For June 30, 1989)

Economic Development Industrial Corporation	Eliminations	Totals	
		1990	1989
\$ 3,951,864	-	\$ 10,403,915	\$ 16,872,547
1,437,939	-	1,437,939	1,533,180
633,585	-	57,711,716	66,454,834
16,608,542	-	16,608,542	16,807,468
-	-	1,529,262	1,371,976
-	\$ (3,310,966)	36,491,863	26,510,528
3,410,456	-	3,542,016	3,407,912
14,308,148	-	113,822,162	92,587,476
<u>\$ 40,350,534</u>	<u>\$ (3,310,966)</u>	<u>\$ 241,547,415</u>	<u>\$ 225,545,921</u>
\$ 2,204,099	-	\$ 26,924,559	\$ 25,419,897
-	-	2,581,318	2,581,318
-	-	6,220,079	5,882,150
-	-	39,541,951	45,574,127
-	-	11,425,292	17,504,255
1,735,584	-	8,058,315	6,623,902
-	-	6,633,900	4,704,959
13,083,815	-	16,046,694	15,809,288
-	\$ (3,310,966)	0	753,953
348,074	-	3,410,913	2,825,986
16,871,959	-	16,871,959	18,817,891
<u>34,243,531</u>	<u>\$ (3,310,966)</u>	<u>137,714,980</u>	<u>146,497,726</u>
6,107,003	-	103,832,435	79,048,195
<u>6,107,003</u>	<u>-</u>	<u>103,832,435</u>	<u>79,048,195</u>
<u>\$ 40,350,534</u>	<u>(3,310,966)</u>	<u>\$ 241,547,415</u>	<u>\$ 225,545,921</u>

## City of Boston and County of Suffolk

## Exhibit E-2

## ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses and  
Changes in Fund Equity

Year Ended June 30, 1990

(With Comparative Totals For June 30, 1989)

	Department of Health & Hospitals	Trustees of Health & Hospitals
<b>OPERATING REVENUES:</b>		
Gross patient service revenue	\$ 213,708,357	\$ -
Adjustments to patient service revenue:		
Contractual adjustments	22,747,134	-
Provisions for uncollectible amounts, free care and service provided to City employees	(65,766,940)	-
Total adjustments to patient service revenue	(43,019,806)	-
Net patient service revenue	170,688,551	-
Investment income	-	-
Programs	-	38,606,507
Contributions and donations	-	-
Rental income	-	-
Intergovernmental	-	-
Miscellaneous	5,298,326	-
Total operating revenues	175,986,877	38,606,507
<b>OPERATING EXPENSES:</b>		
Salaries, wages and fringe benefits	111,602,072	-
Professional fees	20,258,613	-
Retirement costs	5,363,121	-
Materials and supplies	12,157,322	-
Administrative and general	15,655,137	3,179,259
Depreciation	7,360,603	48,000
Interest	2,850,494	-
Subsidies for community services, special programs and real estate operations	23,788,398	36,258,619
Total operating expenses	199,035,760	39,485,878
Operating income (loss)	(23,048,883)	(879,371)
Operating transfer in (out), net	44,190,782	904,903
Net income (loss)	21,141,899	25,532
Fund equity, beginning of year	75,098,358	1,459,643
Fund equity, end of year	\$ 96,240,257	\$ 1,485,175

City of Boston and County of Suffolk

Exhibit E-2 (Continued)

ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses and

Changes in Fund Equity

Year Ended June 30, 1990

(With Comparative Totals For June 30, 1989)

Economic Development Industrial Corporation	Totals	
	1990	1989
\$ -	\$ 213,708,357	\$ 194,748,373
-	22,747,134	24,794,209
-	(65,766,940)	(57,766,427)
-	(43,019,806)	(32,972,218)
-	170,688,551	161,776,155
1,417,822	1,417,822	1,269,015
-	38,606,507	33,248,414
1,585,000	1,585,000	-
5,163,234	5,163,234	4,897,630
993,864	993,864	1,319,232
2,980,206	8,278,532	8,172,852
12,140,126	226,733,510	210,683,298
2,950,326	114,552,398	111,582,852
490,725	20,749,338	18,342,561
-	5,363,121	5,543,238
35,937	12,193,259	13,987,100
2,187,357	21,021,753	24,121,367
1,561,602	8,970,205	7,817,480
1,297,371	4,147,865	3,441,443
-	60,047,017	53,850,698
8,523,318	247,044,956	238,686,739
3,616,808	(20,311,446)	(28,003,441)
-	45,095,685	31,574,600
3,616,808	24,784,239	3,571,159
2,490,195	79,048,196	75,477,037
\$ 6,107,003	\$ 103,832,435	\$ 79,048,196

City of Boston and County of Suffolk

Exhibit E-3

ENTERPRISE FUNDS

Combining Statement of Cash Flows

All Proprietary Fund Types and Nonexpendable Trust Funds

Year Ended June 30, 1990

(With Comparative Totals For June 30, 1989)

	Department of Health & Hospitals	Trustees of Health & Hospitals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ (23,048,886)	\$ (880,037)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Operating subsidy / transfers in (out)	44,190,782	904,903
Depreciation and amortization	8,073,464	48,000
Provisions for bad debt	67,251,958	-
Loss on disposal of leased assets	49,483	-
Changes in operating assets and liabilities:		
Accounts receivable	(56,296,156)	(1,796,788)
Intergovernmental receivable	-	-
Inventories	(157,287)	-
Other assets	-	(13,577)
Accounts payable	527,595	95,934
Accrued retirement and vacation	(5,694,248)	-
Due to third party payors	(6,078,963)	-
Other accrued liabilities	806,998	(243,125)
Deferred revenue	770,039	73,177
Cash provided (used) by operating activities	<u>30,394,779</u>	<u>(1,811,513)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Advances from grantors	-	1,366,411
Cash provided (used) by noncapital financing activities	<u>-</u>	<u>1,366,411</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and construction of capital assets	(28,066,507)	(135,454)
Proceeds from debt	-	-
Payments received on loan receivable	-	-
Principal paid on debt maturities	-	-
Payments on lease obligations	(1,197,496)	-
Other transfers	(9,710,402)	(270,981)
Acquisition of capital leases	-	-
Cash provided (used) by capital and related financing activities	<u>(38,974,405)</u>	<u>(406,435)</u>
Increase (decrease) in cash and cash equivalents	(8,579,626)	(851,537)
Cash and cash equivalents, beginning of year	<u>12,116,318</u>	<u>3,766,896</u>
Cash and cash equivalents, end of year	<u>\$ 3,536,692</u>	<u>\$ 2,915,359</u>
Cash paid for interest	<u>\$ 2,878,421</u>	<u>-</u>



City of Boston and County of Suffolk

Exhibit E-3 (Continued)

ENTERPRISE FUNDS

Combining Statement of Cash Flows

All Proprietary Fund Types and Nonexpendable Trust Funds

Year Ended June 30, 1990

(With Comparative Totals For June 30, 1989)

Economic Development Industrial Corporation	Totals	
	1990	1989
\$ 3,616,808	\$ (20,312,115)	\$ (28,004,440)
-	45,095,685	31,240,369
1,561,602	9,683,066	7,817,321
360,824	67,612,782	59,748,000
-	49,483	-
(177,112)	(58,270,056)	(73,986,024)
(565,217)	(565,217)	(145,610)
-	(157,287)	280,976
(265,020)	(278,597)	270,463
807,201	1,430,730	3,520,764
-	(5,694,248)	(4,102,147)
-	(6,078,963)	(13,275,869)
89,440	653,313	(281,439)
(23,534)	819,682	2,192,826
<u>5,404,992</u>	<u>33,988,258</u>	<u>(14,724,810)</u>
-	1,366,411	100,370
<u>-</u>	<u>1,366,411</u>	<u>100,370</u>
(945,196)	(29,147,157)	(10,117,477)
192,988	192,988	-
120,261	120,261	-
(1,838,126)	(1,838,126)	(62,930)
-	(1,197,496)	(1,048,390)
-	(9,981,383)	34,874,140
26,913	26,913	-
<u>(2,443,160)</u>	<u>(41,824,000)</u>	<u>23,645,343</u>
2,961,832	(6,469,331)	9,020,903
<u>990,032</u>	<u>16,873,246</u>	<u>7,852,343</u>
\$ <u>3,951,864</u>	\$ <u>10,403,915</u>	\$ <u>16,873,246</u>
\$ <u>1,315,342</u>	\$ <u>4,193,763</u>	\$ <u>3,962,129</u>

City of Boston and County of Suffolk

Exhibit E-4

DEPARTMENT of HEALTH and HOSPITALS  
Comparative Balance Sheet  
June 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
<b>ASSETS</b>		
Cash and short-term investments	\$ 3,536,692	\$ 12,116,318
Receivables (net of allowances for uncollectibles):		
Accounts	45,496,260	56,452,061
Due from other funds	39,802,829	30,092,429
Inventories	1,529,262	1,371,976
Property, plant and equipment (net of accumulated depreciation)	99,303,096	77,826,575
Total assets	<u>\$ 189,668,139</u>	<u>\$ 177,859,359</u>
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Warrants and accounts payable	\$ 22,074,946 ✓	\$ 21,547,049
Accrued liabilities:		
Judgments and claims	2,581,318 ✓	2,581,318
Sick and vacation	6,220,079 ✓	5,882,150
Retirement costs	39,541,951 ✓	45,574,127
Third-party payors of health care costs	11,425,292 ✓	17,504,255
Other	5,558,578	4,751,045
Deferred revenue	2,962,879 ✓	2,192,840
Obligations under capital lease	3,062,839 ✓	2,728,218
Total liabilities	<u>93,427,882</u>	<u>102,761,002</u>
Fund Equity:		
Proprietary fund equity	96,240,257	75,098,357
Total fund equity	<u>96,240,257</u>	<u>75,098,357</u>
Total liabilities and fund equity	<u>\$ 189,668,139</u>	<u>\$ 177,859,359</u>

City of Boston and County of Suffolk

Exhibit E-5

DEPARTMENT of HEALTH and HOSPITALS  
Comparative Statement of Revenues, Expenses and  
Changes in Fund Equity  
Year Ended June 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
<b>OPERATING REVENUES:</b>		
Gross patient service revenue	\$ 213,708,357	\$ 194,748,373
Adjustments to patient service revenue:		
Contractual adjustments	22,747,134	24,794,209
Provisions for uncollectible amounts, free care and service provided to City employees	(65,766,940)	(57,766,427)
Total adjustments to patient service revenue	<u>(43,019,806)</u>	<u>(32,972,218)</u>
Net patient service revenue	170,688,551	161,776,155
Miscellaneous revenues	5,298,326	7,409,897
Total operating revenues	<u>175,986,877</u>	<u>169,186,052</u>
<b>OPERATING EXPENSES:</b>		
Salaries, wages and fringe benefits	111,602,072	108,549,543
Professional fees	20,258,613	17,725,932
Retirement costs	5,363,121	5,543,238
Materials and supplies	12,157,322	13,935,100
Administrative and general	15,655,137	20,148,856
Depreciation	7,360,603	5,869,892
Interest	2,850,494	2,516,108
Subsidies for community services, special programs and real estate operations	23,788,398	22,911,022
Total operating expenses	<u>199,035,760</u>	<u>197,199,691</u>
Operating income (loss)	<u>(23,048,883)</u>	<u>(28,013,639)</u>
Operating expenses In (Out), Net	44,190,782	31,239,858
Net income (loss)	<u>21,141,899</u>	<u>3,226,219</u>
Fund equity, beginning of year	75,098,358	71,872,139
Fund equity, end of year	<u>\$ 96,240,257</u>	<u>\$ 75,098,358</u>

City of Boston and County of Suffolk

Exhibit E-6

DEPARTMENT of HEALTH and HOSPITALS  
Comparative Statement of Cash Flows  
Year Ended June 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ (23,048,886)	\$ (28,014,638)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Operating subsidy / transfers in (out)	44,190,782	31,240,369
Depreciation and amortization	8,073,464	5,869,892
Provisions for bad debt	67,251,958	59,748,000
Loss on disposal of leased assets	49,483	-
Changes in operating assets and liabilities:		
Accounts receivable	(56,296,156)	(71,962,804)
Inventories	(157,287)	280,976
Accounts payable	527,595	2,849,599
Accrued retirement and vacation	(5,694,248)	(4,102,147)
Due to third party payors	(6,078,963)	(13,275,869)
Other accrued liabilities	806,998	(1,574,192)
Deferred revenue	770,039	2,192,826
Cash provided (used) by operating activities	<u>30,394,779</u>	<u>(16,747,988)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Advances from grantors	-	-
Cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and construction of capital assets	(28,066,507)	(8,047,904)
Payments on lease obligations	(1,197,496)	(1,048,390)
Other transfers	(9,710,402)	34,131,432
Cash provided (used) by capital and related financing activities	<u>(38,974,405)</u>	<u>25,035,138</u>
Increase (decrease) in cash and cash equivalents	(8,579,626)	8,287,150
Cash and cash equivalents, beginning of year	<u>12,116,318</u>	<u>3,829,168</u>
Cash and cash equivalents, end of year	<u>\$ 3,536,692</u>	<u>\$ 12,116,318</u>
Cash paid for interest	<u>\$ 2,878,421</u>	<u>\$ 2,653,108</u>

City of Boston and County of Suffolk

Exhibit E-7

TRUSTEES of HEALTH and HOSPITALS

Comparative Balance Sheet

June 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
<b>ASSETS</b>		
Cash and short-term investments	\$ 2,915,359	\$ 3,766,197
Receivables (net of allowances for uncollectibles):		
Accounts	11,581,871	9,185,476
Other assets	131,560	117,983
Property, plant and equipment (net of accumulated depreciation)	210,918	123,531
Total assets	<u>\$ 14,839,708</u>	<u>\$ 13,193,187</u>
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Warrants and accounts payable	\$ 2,645,514	\$ 2,476,403
Accrued liabilities:		
Other	764,153	580,538
Intergovernmental	6,633,900	4,695,027
Due to other funds	3,310,966	3,981,576
Total liabilities	<u>13,354,533</u>	<u>11,733,544</u>
Fund Equity:		
Proprietary fund equity	<u>1,485,175</u>	<u>1,459,643</u>
Total fund equity	<u>1,485,175</u>	<u>1,459,643</u>
Total liabilities and fund equity	<u>\$ 14,839,708</u>	<u>\$ 13,193,187</u>

City of Boston and County of Suffolk

Exhibit E-8

TRUSTEES of HEALTH and HOSPITALS  
Comparative Statement of Revenues, Expenses, and  
Changes in Fund Equity  
Year Ended June 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
OPERATING REVENUES:		
Programs	\$ 38,606,507	\$ 33,248,414
Total operating revenues	<u>38,606,507</u>	<u>33,248,414</u>
OPERATING EXPENSES:		
Administrative and general	3,179,259	2,304,650
Depreciation	48,000	55,429
Subsidies for community services, special programs and real estate operations	36,258,619	30,939,676
Total operating expenses	<u>39,485,878</u>	<u>33,299,755</u>
Operating income (loss)	<u>(879,371)</u>	<u>(51,341)</u>
Operating transfers in (out), net	904,903	334,742
Net income (loss)	<u>25,532</u>	<u>283,401</u>
Fund equity, beginning of year	1,459,643	1,176,242
Fund equity, end of year	\$ <u><u>1,485,175</u></u>	\$ <u><u>1,459,643</u></u>

City of Boston and County of Suffolk

Exhibit E-9

TRUSTEES of HEALTH and HOSPITALS

Comparative Statement of Cash Flows

Year Ended June 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ (880,037)	\$ (51,341)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Operating subsidy / transfers in (out)	904,903	-
Depreciation and amortization	48,000	55,429
Changes in operating assets and liabilities:		
Accounts receivable	(1,796,788)	(1,666,003)
Other assets	(13,577)	(38,761)
Accounts payable	95,934	1,394,462
Other accrued liabilities	(243,125)	450,716
Deferred revenue	73,177	-
Cash provided (used) by operating activities	<u>(1,811,513)</u>	<u>144,502</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Advances from grantors	<u>1,366,411</u>	<u>100,370</u>
Cash provided (used) by noncapital financing activities	<u>1,366,411</u>	<u>100,370</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and construction of capital assets	(135,454)	(22,911)
Other transfers	<u>(270,981)</u>	<u>742,708</u>
Cash provided (used) by capital and related financing activities	<u>(406,435)</u>	<u>719,797</u>
Increase (decrease) in cash and cash equivalents	(851,537)	964,669
Cash and cash equivalents, beginning of year	<u>3,766,896</u>	<u>2,802,227</u>
Cash and cash equivalents, end of year	<u>\$ 2,915,359</u>	<u>\$ 3,766,896</u>

City of Boston and County of Suffolk

Exhibit E-10

ECONOMIC DEVELOPMENT INDUSTRIAL CORPORATION

Comparative Balance Sheet

June 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
<b>ASSETS</b>		
Cash and short-term investments	\$ 3,951,864	\$ 990,032
Receivables (net of allowances for uncollectibles):		
Intergovernmental	1,437,939	1,533,180
Accounts	633,585	817,297
Loans	16,608,542	16,807,468
Other assets	3,410,456	3,289,929
Property, plant and equipment (net of accumulated depreciation)	14,308,148	14,637,370
Total assets	<u>\$ 40,350,534</u>	<u>\$ 38,075,276</u>
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Warrants and accounts payable	\$ 2,204,099	\$ 1,396,445
Accrued liabilities:		
Other	1,735,584	1,292,319
Intergovernmental	-	9,932
Due to other funds	-	354,278
Deferred revenue	13,083,815	13,616,448
Obligations under capital lease	348,074	97,768
General obligation bonds and notes payable	16,871,959	18,817,891
Total liabilities	<u>34,243,531</u>	<u>35,585,081</u>
Fund Equity:		
Proprietary fund equity	6,107,003	2,490,195
Total fund equity	<u>6,107,003</u>	<u>2,490,195</u>
Total liabilities and fund equity	<u>\$ 40,350,534</u>	<u>\$ 38,075,276</u>



City of Boston and County of Suffolk

Exhibit E-11

ECONOMIC DEVELOPMENT INDUSTRIAL CORPORATION

Comparative Statement of Revenues, Expenses and

Changes in Fund Equity

Year Ended June 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
<b>OPERATING REVENUES:</b>		
Investment income	\$ 1,417,822	\$ 1,269,015
Contributions and donations	1,585,000	-
Rental income	5,163,234	4,897,630
Intergovernmental	993,864	1,319,232
Miscellaneous	2,980,206	762,955
Total operating revenues	<u>12,140,126</u>	<u>8,248,832</u>
<b>OPERATING EXPENSES:</b>		
Salaries, wages and fringe benefits	2,950,326	3,033,309
Professional fees	490,725	616,629
Materials and supplies	35,937	52,000
Administrative and general	2,187,357	1,667,861
Depreciation	1,561,602	1,892,159
Interest	1,297,371	925,335
Total operating expenses	<u>8,523,318</u>	<u>8,187,293</u>
Net income (loss)	3,616,808	61,539
Fund equity, beginning of year	<u>2,490,195</u>	<u>2,428,656</u>
Fund equity, end of year	<u>\$ 6,107,003</u>	<u>\$ 2,490,195</u>

City of Boston and County of Suffolk

Exhibit E-12

ECONOMIC DEVELOPMENT INDUSTRIAL CORPORATION

Comparative Statement of Cash Flows

Year Ended June 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ 3,616,808	\$ 61,539
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	1,561,602	1,892,000
Provisions for bad debt	360,824	-
Changes in operating assets and liabilities:		
Accounts receivable	(177,112)	(357,217)
Intergovernmental receivable	(565,217)	(145,610)
Other assets	(265,020)	309,224
Accounts payable	807,201	(723,297)
Other accrued liabilities	89,440	842,037
Deferred revenue	(23,534)	-
Cash provided (used) by operating activities	<u>5,404,992</u>	<u>1,878,676</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Advances from grantors	-	-
Cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and construction of capital assets	(945,196)	(2,046,662)
Proceeds from debt	192,988	-
Payments received on loan receivable	120,261	-
Principal paid on debt maturities	(1,838,126)	(62,930)
Acquisition of capital leases	26,913	-
Cash provided (used) by capital and related financing activities	<u>(2,443,160)</u>	<u>(2,109,592)</u>
Increase (decrease) in cash and cash equivalents	2,961,832	(230,916)
Cash and cash equivalents, beginning of year	<u>990,032</u>	<u>1,220,948</u>
Cash and cash equivalents, end of year	\$ <u>3,951,864</u>	\$ <u>990,032</u>
Cash paid for interest	\$ <u>1,315,342</u>	\$ <u>1,309,021</u>

# TRUST AND AGENCY FUNDS

Trust and Agency funds account for assets held in a trustee capacity or as an agent for individuals, private corporations, other governments and other funds.

## Pension Trusts

### *State-Boston Retirement System*

Is a defined benefit contributory retirement plan covering employees of the City of Boston, the Boston Housing Authority, Boston Redevelopment Authority and the Boston Water and Sewer Commission. The system is subject to benefit provisions and financing requirements set forth primarily in Chapter 32 of the Massachusetts General Laws.

### *Boston Retirement*

Is the independent contributory plan system available exclusively to City of Boston employees who were employed prior to October 1, 1946.

### *Health and Hospital Pension Trust*

Is designed to be a mechanism for the collection of revenues from third-party payers for services provided by the Department of Health & Hospitals. It was established for the purpose of offsetting the future cost of the Department's pension liability.

## Nonexpendable Trust Funds

### *City Funds*

Are used for the maintenance and improvement of the City's parks and cemeteries and the erection and maintenance of statues and monuments for the use and enjoyment of City residents.

### *School Funds*

Used for scholarship awards, the purchase of educational equipment and the aid of needy students.

### *George Robert White Fund*

Was formed by the will of George R. White dated May 21, 1920. The will requires that the Fund's income is used for the creation of public utility and beauty for the use and enjoyment of the inhabitants of the city.

## Expendable Trust Funds

### *City Funds*

### *School Funds*

### *George Robert White Fund*

These funds account for the accumulated interest and dividends generated from the Nonexpendable Trust Funds awaiting expenditure or reinvestment of principal and income.

### *Neighborhood Housing Fund*

Established on June 6, 1986 by City Council ordinance to support the creation and preservation of affordable housing for low and moderate income residents of Boston's neighborhoods. Developers of certain large-scale commercial real estate projects in the City are required to make contributions in the form of payments to the Fund.

# TRUST AND AGENCY FUNDS

## *Neighborhood Jobs Fund*

Established February 1986 to protect and provide employment opportunities for low and moderate income residents of the City. As mandated by the Boston Zoning Code developers of certain large-scale commercial real estate projects in the City are required to make contributions to the Fund over a two-year period.

## *Trustees of Health and Hospitals*

Funds represent bequests in the form of endowments with income restricted to donor-designated purposes or to the general purposes of the Boston City Hospital.

## *Trustees of the Public Library*

Funds represent bequests in the form of endowments with income restricted to donor-designated purposes or to the general purposes of the Boston Public Library.

## *Blue Cross/Blue Shield Fund*

This fund accounts for contributions received from both employer and employee to pay for health insurance costs to Blue Cross/Blue Shield.

## **Agency Fund**

### *Boston Redevelopment Authority Fund*

Accounts for resources received and held by the Authority as an agent for other entities including Urban Development Action Grants and other funds for housing initiatives.

City of Boston and County of Suffolk

Exhibit F-1

TRUST and AGENCY FUNDS  
Combining Balance Sheet  
June 30, 1990  
(With Comparative Totals For June 30, 1989)

	Pension Trust Funds			
	State/Boston Retirement System	Boston Retirement System	Health & Hospitals Pension Trust	Total
<b>ASSETS</b>				
Cash and short-term investments	\$ 908,237,000	\$ 1,303,568	\$ 46,250,835	\$ 955,791,403
Other investments	-	-	-	-
Receivables (net of allowances for uncollectibles):				
Intergovernmental	4,451,000	145,285	-	4,596,285
Accounts	25,597,000	-	-	25,597,000
Notes	-	-	-	-
Due from other funds	65,802,000	138,973	-	65,940,973
Other assets	-	-	-	-
Property, plant and equipment	-	-	-	-
Total assets	<u>\$ 1,004,087,000</u>	<u>\$ 1,587,826</u>	<u>\$ 46,250,835</u>	<u>\$ 1,051,925,661</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Warrants and accounts payable	\$ 20,883,000	\$ -	\$ -	\$ 20,883,000
Other accrued liabilities	-	-	-	-
Due to other funds	562,000	-	-	562,000
Notes payable	-	-	-	-
Total liabilities	<u>21,445,000</u>	<u>-</u>	<u>-</u>	<u>21,445,000</u>
Fund Balance:				
Reserved for:				
Encumbrances	-	-	-	-
Employee retirement system	982,642,000	1,587,826	46,250,835	1,030,480,661
Unreserved:				
Undesignated	-	-	-	-
Designated	-	-	-	-
Total fund balance	<u>982,642,000</u>	<u>1,587,826</u>	<u>46,250,835</u>	<u>1,030,480,661</u>
Total liabilities and fund balance	<u>\$ 1,004,087,000</u>	<u>\$ 1,587,826</u>	<u>\$ 46,250,835</u>	<u>\$ 1,051,925,661</u>

City of Boston and County of Suffolk

Exhibit F-1 (Continued)

TRUST and AGENCY FUNDS

Combining Balance Sheet

June 30, 1990

(With Comparative Totals For June 30, 1989)

	Nonexpendable Trust Funds			
	City Funds	School Funds	George Robert White Fund	Trustees of the Public Library
<b>ASSETS</b>				
Cash and short-term investments	\$ 23,196,012	\$ 616,141	\$ 11,336,089	\$ 13,946,584
Other investments	-	-	-	-
Receivables (net of allowances for uncollectibles):				
Intergovernmental	-	-	-	-
Accounts	-	-	-	-
Notes	-	-	-	-
Due from other funds	40,938	-	-	-
Other assets	-	-	-	-
Property, plant and equipment	60,000	-	131,162	-
Total assets	<u>\$ 23,296,950</u>	<u>\$ 616,141</u>	<u>\$ 11,467,251</u>	<u>\$ 13,946,584</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Warrants and accounts payable	\$ -	\$ -	\$ -	\$ -
Other accrued liabilities	-	162	-	-
Due to other funds	-	216	-	-
Notes payable	-	-	-	-
Total liabilities	<u>-</u>	<u>378</u>	<u>-</u>	<u>-</u>
Fund Balance:				
Reserved for:				
Encumbrances	-	-	-	-
Employee retirement system	-	-	-	-
Unreserved:				
Undesignated	23,296,950	615,763	11,467,251	13,946,584
Designated	-	-	-	-
Total fund balance	<u>23,296,950</u>	<u>615,763</u>	<u>11,467,251</u>	<u>13,946,584</u>
Total liabilities and fund balance	<u>\$ 23,296,950</u>	<u>\$ 616,141</u>	<u>\$ 11,467,251</u>	<u>\$ 13,946,584</u>

City of Boston and County of Suffolk

Exhibit F-1 (Continued)

TRUST and AGENCY FUNDS

Combining Balance Sheet

June 30, 1990

(With Comparative Totals For June 30, 1989)

Expendable Trust Funds					
Total	City Funds	School Funds	George Robert White Fund	Trustees of the Public Library	Trustees of Health & Hospitals
\$ 49,094,826	\$ 13,160,154	\$ 250,144	\$ 4,280,844	\$ 3,976,185	\$ 15,439,845
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	367,500	-	-
40,938	-	-	-	-	-
-	-	-	-	-	-
191,162	-	-	-	-	-
<u>\$ 49,326,926</u>	<u>\$ 13,160,154</u>	<u>\$ 250,144</u>	<u>\$ 4,648,344</u>	<u>\$ 3,976,185</u>	<u>\$ 15,439,845</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
162	10,920	191	39,162	-	598,513
216	230,748	446	462,182	-	-
-	-	-	-	-	-
<u>378</u>	<u>241,668</u>	<u>637</u>	<u>501,344</u>	<u>-</u>	<u>598,513</u>
-	3,568,678	-	4,616,796	-	-
-	-	-	-	-	-
49,326,548	9,349,808	249,507	(469,796)	3,976,185	14,841,332
-	-	-	-	-	-
<u>49,326,548</u>	<u>12,918,486</u>	<u>249,507</u>	<u>4,147,000</u>	<u>3,976,185</u>	<u>14,841,332</u>
<u>\$ 49,326,926</u>	<u>\$ 13,160,154</u>	<u>\$ 250,144</u>	<u>\$ 4,648,344</u>	<u>\$ 3,976,185</u>	<u>\$ 15,439,845</u>

City of Boston and County of Suffolk

Exhibit F-1 (Continued)

TRUST and AGENCY FUNDS

Combining Balance Sheet

June 30, 1990

(With Comparative Totals For June 30, 1989)

	Expendable Trust Funds			
	Neighborhood Housing Fund	Neighborhood Jobs Fund	Blue Cross/ Blue Shield Trust Fund	Total
ASSETS				
Cash and short-term investments	\$ 5,216,081	\$ 1,317,616	\$ 176,898	\$ 43,817,767
Other investments	-	-	-	-
Receivables (net of allowances for uncollectibles):				
Intergovernmental	-	-	-	-
Accounts	128,077	41,217	-	169,294
Notes	-	-	-	367,500
Due from other funds	(7,699)	7,699	-	0
Other assets	-	-	-	-
Property, plant and equipment	-	-	-	-
Total assets	\$ 5,336,459	\$ 1,366,532	\$ 176,898	\$ 44,354,561
LIABILITIES AND FUND BALANCE				
Liabilities:				
Warrants and accounts payable	\$ -	\$ -	\$ -	\$ -
Other accrued liabilities	-	-	7,500,000	8,148,786
Due to other funds	-	-	-	693,376
Notes payable	9,401,543	-	-	9,401,543
Total liabilities	9,401,543	-	7,500,000	18,243,705
Fund Balance:				
Reserved for:				
Encumbrances	-	-	-	8,185,474
Employee retirement system	-	-	-	-
Unreserved:				
Undesignated	(4,065,084)	1,366,532	(7,323,102)	17,925,382
Designated	-	-	-	-
Total fund balance	(4,065,084)	1,366,532	(7,323,102)	26,110,856
Total liabilities and fund balance	\$ 5,336,459	\$ 1,366,532	\$ 176,898	\$ 44,354,561



City of Boston and County of Suffolk

Exhibit F-1 (Continued)

TRUST and AGENCY FUNDS

Combining Balance Sheet

June 30, 1990

(With Comparative Totals For June 30, 1989)

Agency Funds

Boston Redevelopment Authority	Totals	
	1990	1989
\$ 4,290,841	\$ 1,052,994,837	\$ 153,993,577
-	-	822,531,058
662,563	5,258,848	6,928,238
103,426	25,869,720	59,988,347
35,003,496	35,370,996	32,395,117
-	65,981,911	19,039,292
1,081,061	1,081,061	-
-	191,162	191,162
<u>\$ 41,141,387</u>	<u>\$ 1,186,748,535</u>	<u>\$ 1,095,066,791</u>
\$ -	\$ 20,883,000	\$ 33,395,674
40,191,376	48,340,324	34,816,855
950,011	2,205,603	3,681,943
-	-	-
<u>41,141,387</u>	<u>80,830,470</u>	<u>71,894,472</u>
-	8,185,474	6,692,679
-	1,030,480,661	943,996,517
-	67,251,930	81,893,058
-	-	(9,409,935)
<u>-</u>	<u>1,105,918,065</u>	<u>1,023,172,319</u>
<u>\$ 41,141,387</u>	<u>\$ 1,186,748,535</u>	<u>\$ 1,095,066,791</u>

## City of Boston and County of Suffolk

## Exhibit F-2

## PENSION TRUSTS

## Combining Statement of Revenues, Expenses and Changes in Fund Equity

Year Ended June 30, 1990

(With Comparative Totals For June 30, 1989)

	State/Boston Retirement System	Boston Retirement System	Health & Hospitals Pension Trust	Totals
			1990	1989
<b>OPERATING REVENUES:</b>				
Investment Income	\$ 47,169,000	139,750	3,541,463	47,362,396
Net appreciation (depreciation) in fair market value of investments	18,363,000	-	-	67,890,000
Contributions and donations	171,151,000	276,162	-	174,899,481
Intergovernmental	19,620,000	145,285	-	24,677,440
Miscellaneous	19,000	12,395	-	28,441
Total operating revenues	256,322,000	573,592	3,541,463	314,857,758
<b>OPERATING EXPENSES:</b>				
Salaries, wages and fringe benefits	1,442,000	-	-	1,146,653
Professional fees	2,628,000	-	-	2,187,476
Materials and supplies	-	-	-	738
Administrative and general	-	-	66,107	99,962
Benefits paid	153,832,000	654,238	-	146,683,312
Members refunds, transfers and reimbursements to other systems	14,905,000	425,433	-	10,126,000
Total operating expenses	172,807,000	1,079,671	66,107	160,244,141
Excess (deficiency) of revenues over expenses	83,515,000	(506,079)	3,475,356	154,613,617
Fund equity, beginning of year	899,127,000	2,093,905	42,775,479	789,382,767
Fund equity, end of year	\$ 982,642,000	1,587,826	46,250,835	943,996,384

## Exhibit F-3

## NONEXPENDABLE TRUSTS

## Combining Statement of Revenues and Expenses and Changes in Fund Equity

Year Ended June 30, 1990

(With Comparative Totals For June 30, 1989)

	City Funds	School Funds	George Robert White Fund	Trustees of the Public Library	Totals 1990	1989
<b>OPERATING REVENUES:</b>						
Investment Income	\$ 2,142,620	\$ 47,949	\$ 1,104,836	\$ 1,019,459	\$ 4,314,864	\$ 3,935,575
Net appreciation (depreciation) in fair market value of investments	-	-	-	-	-	149,832
Contributions and donations	-	-	-	573,824	573,824	750,451
Miscellaneous	115,488	84	66	-	115,638	-
Total operating revenues	<u>2,258,108</u>	<u>48,033</u>	<u>1,104,902</u>	<u>1,593,283</u>	<u>5,004,326</u>	<u>4,835,858</u>
<b>OPERATING EXPENSES:</b>						
Administrative and general	-	4,475	-	-	4,475	3,131
Scholarships and awards	-	4,000	-	-	4,000	-
Libraries	-	-	-	658,977	658,977	810,639
Total operating expenses	<u>-</u>	<u>8,475</u>	<u>-</u>	<u>658,977</u>	<u>667,452</u>	<u>813,770</u>
Operating income (loss)	2,258,108	39,558	1,104,902	934,306	4,336,874	4,022,088
Operating transfers in (out), net	(500,456)	(15,755)	(719,705)	(523,750)	(1,759,666)	(1,225,691)
Net income (loss)	<u>1,757,652</u>	<u>23,803</u>	<u>385,197</u>	<u>410,556</u>	<u>2,577,208</u>	<u>2,796,397</u>
Fund equity, beginning of year	21,539,298	591,960	11,082,054	13,536,028	46,749,340	43,952,943
Fund equity, end of year	<u>\$ 23,296,950</u>	<u>\$ 615,763</u>	<u>\$ 11,467,251</u>	<u>\$ 13,946,584</u>	<u>\$ 49,326,548</u>	<u>\$ 46,749,340</u>

## City of Boston and County of Suffolk

## Exhibit F-4

## NONEXPENDABLE TRUSTS

## Combining Statement of Cash Flows

Year Ended June 30, 1990

(With Comparative Totals For June 30, 1989)

	City Funds	School Funds	George Robert White Fund	Trustees of the Public Library	Totals
					1990      1989
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 2,258,108	\$ 39,558	\$ 1,104,902	\$ 934,306	\$ 4,336,874      \$ 4,022,088
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Operating subsidy / transfers in (out)	(500,456)	(15,539)	(719,705)	(523,750)	(1,759,450)      -
Changes in operating assets and liabilities:					
Accounts payable	-	(132)	-	-	(132)      -
Cash provided (used) by operating activities	1,757,652	23,887	385,197	410,556	2,577,292      4,022,088
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Other transfers	395,663	-	-	-	395,663      (1,225,691)
Cash provided (used) by capital and related financing activities	395,663	-	-	-	395,663      (1,225,691)
Increase (decrease) in cash and cash equivalents	2,153,315	23,887	385,197	410,556	2,972,955      2,796,397
Cash and cash equivalents, beginning of year	21,042,697	592,254	10,950,892	13,536,028	46,121,871      43,325,474
Cash and cash equivalents, end of year	\$ 23,196,012	\$ 616,141	\$ 11,336,089	\$ 13,946,584	\$ 49,094,826      \$ 46,121,871

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City of Boston and County of Suffolk

Exhibit F-5

EXPENDABLE TRUST FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Equity

Year Ended June 30, 1990

(With Comparative Totals for June 30, 1989)

	City Funds	School Funds	George Robert White Fund	Trustees of the Public Library
REVENUES:				
Rental income	\$ -	\$ -	\$ -	\$ -
Investment income	2,173,710	20,462	363,782	251,431
Sale of real estate	0	-	-	-
Contributions and donations	429,664	-	-	617,205
Other revenue	86,555	-	10,000	-
Total revenues	<u>2,689,929</u>	<u>20,462</u>	<u>373,782</u>	<u>868,636</u>
EXPENDITURES:				
General government	1,448,208	4,252	212,188	-
Parks and recreation	2,262,204	-	-	-
Human services	-	-	-	-
Schools	-	14,547	-	-
Public works	-	-	1,519,292	-
Library	-	-	-	543,359
Other employee benefits	-	-	-	-
Total expenditures	<u>3,710,412</u>	<u>18,799</u>	<u>1,731,480</u>	<u>543,359</u>
Excess (deficiency) of revenues over expenditures	(1,020,483)	1,663	(1,357,698)	325,277
Operating transfers in (out), net	<u>(969,544)</u>	<u>15,755</u>	<u>719,705</u>	<u>523,750</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(1,990,027)</u>	<u>17,418</u>	<u>(637,993)</u>	<u>849,027</u>
Fund equity, beginning of year	14,908,513	232,089	4,784,993	3,127,158
Fund equity, end of year	<u>\$ 12,918,486</u>	<u>\$ 249,507</u>	<u>\$ 4,147,000</u>	<u>\$ 3,976,185</u>

City of Boston and County of Suffolk

Exhibit F-5 (Continued)

EXPENDABLE TRUST FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Equity

Year Ended June 30, 1990

(With Comparative Totals for June 30, 1989)

Trustees of Health & Hospitals	Neighborhood Housing Fund	Neighborhood Jobs Fund	Blue Cross/ Blue Shield Trust Fund	Totals	
				1990	1989
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,820
1,314,322	475,308	115,930	165,210	4,880,155	3,471,127
-	-	-	-	-	40,000
-	-	-	68,529,032	69,575,901	48,379,084
-	2,593,003	118,660	-	2,808,218	3,110,825
<u>1,314,322</u>	<u>3,068,311</u>	<u>234,590</u>	<u>68,694,242</u>	<u>77,264,274</u>	<u>55,077,856</u>
-	29,224	99,784	227,917	2,021,573	1,726,614
-	-	-	-	2,262,204	1,824,251
-	9,547,247	676,926	-	10,224,173	747,226
-	-	-	-	14,547	-
-	-	-	-	1,519,292	1,312,617
-	-	-	-	543,359	833,652
-	-	-	66,379,492	66,379,492	55,141,625
<u>-</u>	<u>9,576,471</u>	<u>776,710</u>	<u>66,607,409</u>	<u>82,964,640</u>	<u>61,585,985</u>
1,314,322	(6,508,160)	(542,120)	2,086,833	(5,700,366)	(6,508,129)
<u>(904,903)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(615,237)</u>	<u>190,946</u>
409,419	(6,508,160)	(542,120)	2,086,833	(6,315,603)	(6,317,183)
14,431,913	2,443,076	1,908,652	(9,409,935)	32,426,459	38,743,642
<u>\$ 14,841,332</u>	<u>\$ (4,065,084)</u>	<u>\$ 1,366,532</u>	<u>\$ (7,323,102)</u>	<u>\$ 26,110,856</u>	<u>\$ 32,426,459</u>

## City of Boston and County of Suffolk

## Exhibit F-6

**BOSTON REDEVELOPMENT AUTHORITY - AGENCY FUND**  
**Statement of Changes in Assets and Liabilities**  
**\* Period Ended September 30, 1989**

	<u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>
	<u>June 30, 1988</u>			<u>September 30, 1989</u>
<b>ASSETS</b>				
Cash and short-term investments	\$ 1,936,247	\$ 18,474,094	\$ 16,119,500	\$ 4,290,841
Receivables (net of allowances for uncollectible amounts)				
Intergovernmental	2,172,798	637,770	2,148,005	662,563
Accounts	615,600	103,426	615,600	103,426
Notes	32,027,617	3,726,572	750,693	35,003,496
Other assets	-	1,081,061	-	1,081,061
Due from other funds	-	366,747	-	366,747
Total assets	<u>\$ 36,752,262</u>	<u>\$ 24,389,670</u>	<u>\$ 19,633,798</u>	<u>\$ 41,508,134</u>
<b>LIABILITIES</b>				
Other accrued liabilities	\$ 34,763,738	\$ 8,185,235	\$ 2,757,597	\$ 40,191,376
Due to other funds	1,988,524	13,700,177	14,371,943	1,316,758
Total liabilities	<u>\$ 36,752,262</u>	<u>\$ 21,885,412</u>	<u>\$ 17,129,540</u>	<u>\$ 41,508,134</u>

\* During 1988, the Boston Redevelopment Authority changed its fiscal year-end from June 30 to September 30.





## Statistical Section



## STATISTICAL SECTION

City of Boston and County of Suffolk

Table 1

General Fund Expenditures by Function (1)  
Last Ten Fiscal Years  
(In Thousands of \$)

<u>Function</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>
General Government	43,748	49,930	43,752	38,805	35,140
% of Total	4.3	5.1	4.7	4.7	4.9
% Change	(12.4)	14.1	12.7	10.4	(9.2)
Public Safety	236,840	216,169	198,234	169,528	133,410
% of Total	23.4	21.9	21.2	20.7	18.5
% Change	9.6	9.0	16.9	27.1	8.0
Public Works	65,951	63,644	64,962	56,317	36,077
% of Total	6.5	6.4	7.0	6.9	5.0
% Change	3.6	(2.0)	15.4	56.1	(4.0)
Libraries	21,898	21,459	20,155	17,688	13,147
% of Total	2.2	2.2	2.2	2.2	1.8
% Change	2.0	6.5	13.9	34.5	5.3
Schools	356,635	353,081	322,748	284,746	272,118
% of Total	35.2	35.7	34.6	34.8	37.7
% Change	1.0	9.4	13.3	4.6	7.9
Retirement Cost	89,948	97,551	102,561	92,466	85,677
% of Total	8.9	9.9	11.0	11.3	11.9
% Change	(7.8)	(4.9)	10.9	7.9	(7.3)
Employee Benefits	57,854	51,698	43,791	32,880	29,546
% of Total	5.7	5.2	4.7	4.0	4.1
% Change	11.9	18.1	33.2	11.3	(11.2)
Other (2)	138,976	134,949	137,756	126,554	116,278
% of Total	13.7	13.7	14.7	15.5	16.1
% Change	3.0	(2.0)	8.9	8.8	(1.8)
Total Expenditures	1,011,850	988,481	933,959	818,984	721,393
% of Total	100.0	100.0	100.0	100.0	100.0
% Change	2.4	5.8	14.0	13.5	1.8

(1) Includes General Fund expenditures only. Operating Transfers Out have been excluded from all years.

(2) Other includes: Property and Development, Parks, Human Services, County, Judgments and Claims, State Assessments, Miscellaneous, Capital Outlays and Debt Service expenditures.

City of Boston and County of Suffolk

Table 1 (Continued)

General Fund Expenditures by Function (1)  
Last Ten Fiscal Years  
(In Thousands of \$)

<u>1985</u>	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>Function</u>
38,685	33,817	53,270	43,997	44,166	General Government
5.5	5.1	7.9	7.8	7.1	% of Total
14.4	(36.5)	21.1	(0.4)	18.5	% Change
123,537	126,955	106,966	89,659	103,485	Public Safety
17.4	19.0	15.9	15.8	16.7	% of Total
(2.7)	18.7	19.3	(13.4)	(2.1)	% Change
37,570	37,960	33,689	29,154	32,119	Public Works
5.3	5.7	5.0	5.1	5.2	% of Total
(1.0)	12.7	15.6	(9.2)	6.8	% Change
12,481	12,271	10,363	7,991	9,598	Libraries
1.8	1.8	1.5	1.4	1.5	% of Total
1.7	18.4	29.7	(16.7)	(7.1)	% Change
252,203	232,205	211,500	199,874	234,422	Schools
35.6	34.7	31.4	35.2	37.8	% of Total
8.6	9.8	5.8	(14.7)	10.0	% Change
92,461	81,309	69,860	70,563	57,934	Retirement Cost
13.0	12.2	10.4	12.4	9.3	% of Total
13.7	16.4	(1.0)	21.8	(24.8)	% Change
33,284	27,323	23,139	22,264	15,322	Employee Benefits
4.7	4.1	3.4	3.9	2.5	% of Total
21.8	18.1	3.9	45.3	64.3	% Change
118,426	116,551	164,292	103,781	123,291	Other
16.7	17.4	24.4	18.3	19.9	% of Total
1.6	(29.1)	58.3	(15.8)	(29.1)	% Change
708,647	668,391	673,079	567,283	620,337	Total Expenditures
100.0	100.0	100.0	100.0	100.0	% of Total
6.0	(0.7)	18.6	(8.6)	(5.5)	% Change

(1) Includes General Fund expenditures only. Operating Transfers Out have been excluded from all years.

(2) Other includes: Property and Development, Parks, Human Services, County, Judgments and Claims, State Assessments, Miscellaneous, Capital Outlays and Debt Service expenditures.

City of Boston and County of Suffolk

Table 2

General Fund Revenues by Source (1)  
Last Ten Fiscal Years  
(In Thousands of \$)

<u>Source</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>
Property Taxes	487,296	454,239	499,607	357,558	319,823
% of Total	43.2	41.6	45.3	39.1	39.6
% Change	7.3	(9.1)	39.7	11.8	(5.4)
M. V. Excise Taxes	27,084	25,818	18,358	18,633	13,915
% of Total	2.4	2.4	1.7	2.0	1.7
% Change	4.9	40.6	(1.5)	33.9	48.7
Other Excises (2)	21,050	26,541	24,575	23,688	16,961
% of Total	1.9	2.4	2.2	2.6	2.1
% Change	(20.7)	8.0	3.7	39.7	100.0
Departmental & Other	59,128	41,740	42,253	33,621	35,672
% of Total	5.2	3.8	3.8	3.7	4.4
% Change	41.7	(1.2)	25.7	(5.7)	39.2
State Distributions	405,742	406,353	382,746	358,896	307,425
% of Total	35.9	37.2	34.7	39.2	38.0
% Change	(0.2)	6.2	6.6	16.7	2.6
Payment in Lieu of Taxes	47,539	44,427	45,969	41,110	36,360
% of Total	4.2	4.1	4.2	4.5	4.5
% Change	7.0	(3.4)	11.8	13.1	(16.8)
Other (3)	80,883	92,745	89,238	81,207	78,495
% of Total	7.2	8.5	8.1	8.9	9.7
% Change	(12.8)	3.9	9.9	3.5	25.6
Total Revenues	1,128,722	1,091,863	1,102,746	914,713	808,651
% of Total	100.0	100.0	100.0	100.0	100.0
% Change	3.4	(1.0)	20.6	13.1	3.8

(1) Includes only revenues recorded in the General Fund. Operating Transfers In have been excluded from all years.

(2) Other excise taxes is comprised of hotel/motel and aircraft fuel excises taxes.

(3) Other includes: Intergovernmental, Parking Fines, Investment Income and License & Permit revenues.

City of Boston and County of Suffolk

Table 2 (Continued)

General Fund Revenues by Source (1)  
Last Ten Fiscal Years  
(In Thousands of \$)

<u>1985</u>	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>Source</u>
338,022	305,882	382,322	419,107	500,808	Property Taxes
43.4	45.0	52.3	59.2	66.6	% of Total
10.5	(20.0)	(8.8)	(16.3)	25.4	% Change
9,356	9,511	8,149	5,736	13,190	M. V. Excise Taxes
1.2	1.4	1.1	0.8	1.8	% of Total
(1.6)	16.7	42.1	(56.5)	(15.5)	% Change
-	-	-	-	-	Other Excises
-	-	-	-	-	% of Total
-	-	-	-	-	% Change
25,628	23,395	26,065	21,033	20,158	Departmental & Other
3.3	3.4	3.6	3.0	2.7	% of Total
9.5	(10.2)	23.9	4.3	20.5	% Change
299,555	267,406	236,771	192,649	173,805	State Distributions
38.5	39.3	32.4	27.2	23.1	% of Total
12.0	12.9	22.9	10.8	7.4	% Change
43,702	19,494	32,334	21,740	20,522	Payment in Lieu of Taxes
5.6	2.9	4.4	3.1	2.7	% of Total
124.2	(39.7)	48.7	5.9	9.0	% Change
62,483	54,321	44,809	47,210	23,801	Other
8.0	8.0	6.1	6.7	3.2	% of Total
15.0	21.2	(5.1)	98.4	3.3	% Change
778,746	680,009	730,450	707,475	752,284	Total Revenues
100.0	100.0	100.0	100.0	100.0	% of Total
14.5	(6.9)	3.2	(6.0)	18.4	% Change

(1) Includes only revenues recorded in the General Fund. Operating Transfers In have been excluded from all years.

(2) Other excise taxes is comprised of hotel/motel and aircraft fuel excises taxes.

(3) Other includes: Intergovernmental, Parking Fines, Investment Income and License & Permit revenues.

## City of Boston and County of Suffolk

Table 3

**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
(In Millions of \$)

Fiscal Year	Tax Levy			Tax Levy Collected Within Year of Levy				Tax Levy Net of Refunds Collected as of June 30				All Taxes Collected in Fiscal Year
	Gross(1)	Net	Net % Gross	Gross Amount	Gross Levy	% Levy	Net Levy	% Levy	Gross Levy	Net Levy		
1981	\$ 518.7	\$ 494.0	95.2	\$ 472.1	91.0	95.6	\$ 449.0	86.6	90.9	\$ 459.6		
1982	440.7	416.6	94.5	410.1	93.1	98.4	393.8	89.4	94.5	381.1		
1983	374.6	354.4	94.6	161.7	43.2	45.6	(2) 326.3	87.1	92.1	130.3		
1984	334.0	313.1	93.7	311.0	93.1	99.3	293.4	87.8	93.7	408.1 (3)		
1985	363.9	345.6	95.0	340.6	93.6	98.6	328.7	90.3	95.1	306.7		
1986	395.3	370.0	93.6	376.0	95.1	101.6	358.1	90.6	96.8	180.6		
1987	422.5	394.6	93.4	407.1	96.4	103.2	387.9	91.8	98.3	590.0 (4)		
1988	452.5	425.6	94.1	422.4	93.3	99.2	416.8	92.1	97.9	420.0		
1989	484.5	460.2	95.0	456.2	94.2	99.1	458.0	94.5	99.5	415.0		
1990	521.0	495.0	95.0	487.1	93.5	98.4	487.1	93.5	98.4	470.5		

(1) Includes omitted assessments assessed in all fiscal years.

(2) The relatively low percentage of the fiscal 1983 levy collected within fiscal 1983 reflects the fact that the final bills were not mailed until the last day of fiscal 1983 due to delayed certification of revalued property assessments.

(3) Includes amounts collected on fiscal 1983 tax levy.

(4) Includes amounts collected on fiscal 1986 tax levy.

Source: City of Boston Treasury Department



Table 4

**Assessed and Estimated Market Value of All Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year	Real Property (1)		Personal Property		Total		Population (3)
	Assessed Value	Per Capita	Assessed Value	Per Capita	Assessed Value (2)	Per Capita	
1981	\$ 1,636,587,000	\$ 2,907	\$ 265,413,000	\$ 471	\$ 1,902,000,000	\$ 3,378	562,994
1982	1,635,769,200	2,917	272,932,300	487	1,908,701,500	3,403	560,847
1983	10,089,026,535	17,989	1,695,417,721	3,023	11,784,444,256	21,012	560,847
1984	11,202,181,007	19,628	1,821,847,318	3,192	13,024,028,325	22,820	570,719
1985	13,218,885,271	23,162	1,577,990,719	2,765	14,796,875,990	25,927	570,719
1986	17,991,130,089	31,365	1,681,352,676	2,931	19,672,482,765	34,297	573,600
1987	21,775,401,986	37,963	1,734,251,712	3,023	23,509,653,698	40,986	573,600
1988	26,264,874,473	45,454	1,746,614,718	3,023	28,011,489,191	48,477	577,830
1989	32,126,544,484	55,599	1,205,971,359	2,087	33,332,515,843	57,686	577,830
1990	32,449,286,694	56,157	1,223,936,350	2,118	33,673,223,044	58,275	577,830

(1) Exempt residential properties not included.

(2) Beginning with fiscal year 1983 assessed valuation reflects 100% of the full and fair cash value.

For comparative purposes fiscal years 1983 and prior have been restated to reflect the change in assessed valuation. Additionally, 1983 was the first year the local option for residential exemptions was adopted.

(3) Population estimates are from Bureau of the Census.

Source: City of Boston Assessing Department

City of Boston and County of Suffolk

Table 5

Property Tax Rates – All Overlapping Governments (1)  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Schools</u>	<u>City General</u>	<u>Total</u>	<u>Percentage Change</u>
1981	76.37	196.33	272.70	7.8 %
1982	90.80	140.10	230.90	(15.3) %
1983 (2)				
Residential	9.23	12.24	21.47	-
C.I.P.	17.33	22.97	40.30	-
1984				
Residential	6.91	10.19	17.10	(20.4) %
C.I.P.	13.15	19.39	32.54	(19.3) %
1985				
Residential	7.21	9.21	16.42	(4.0) %
C.I.P.	13.77	17.59	31.36	(3.6) %
1986				
Residential	6.39	7.07	13.46	(18.0) %
C.I.P.	12.28	13.57	25.85	(17.6) %
1987				
Residential	5.87	6.15	12.02	(10.7) %
C.I.P.	11.49	12.06	23.55	(8.9) %
1988				
Residential	5.87	4.90	10.77	(10.4) %
C.I.P.	11.80	9.86	21.66	(8.0) %
1989				
Residential	4.32	3.65	7.97	(26.0) %
C.I.P.	12.16	10.28	22.44	3.6 %
1990				
Residential	4.63	3.82	8.45	6.0 %
C.I.P.	13.09	10.82	23.91	6.6 %

(1) Real and personal property tax rates are per \$1,000 of assessed value.

(2) Beginning in fiscal 1983 the tax rate on real and personal property was based on 100 percent of the fair market value. For fiscal years prior to 1983, a single tax rate was set for all property classifications.

C.I.P. = Commercial, Industrial and Personal Property.

Source: City of Boston Assessing Department

Table 6

Ratio of General Obligation Bonded Debt to Assessed Value  
and Net Bonded Debt Per Capita  
Last Ten Fiscal Years

Fiscal Year	Population(1)	Assessed Value (2)	Gross Bonded Debt	Less: Self-		Less: Debt Service Funds	Net Bonded Debt	Ratio of		
				Supporting Debt (3)	Debt (3)			Net Bonded	Debt to Assessed Value	Net Bonded Debt per Capita
1981	562,994	\$ 1,902,000,000	\$ 498,003,500	\$ 19,888,500	\$ 41,995,000	\$ 436,120,000	22.93	%	774.6	
1982	560,847	1,908,701,500	455,533,500	10,306,935	41,915,000	403,311,565	21.13		719.1	
1983	560,847	11,784,444,256	459,138,500	62,168,500	80,135,000	316,835,000	2.69		564.9	
1984	570,719	13,024,028,325	503,793,500	60,288,500	19,647,000	423,858,000	3.25		742.7	
1985	570,719	14,796,875,990	530,778,356	59,208,500	24,549,000	447,020,856	3.02		783.3	
1986	573,600	19,672,482,765	548,748,356	55,353,500	34,739,000	458,655,856	2.33		795.9	
1987	573,600	23,509,653,698	510,833,356	51,353,500	105,610,000	353,869,856	1.51		614.0	
1988	577,830	28,011,489,191	455,578,500	46,248,500	114,709,000	294,621,000	1.05		509.9	
1989	577,830	33,332,515,843	506,503,500	40,308,500	87,934,000	378,261,000	1.13		654.6	
1990	577,830	33,673,223,044	516,323,500	9,518,500	54,468,000	452,337,000	1.34		782.8	

(1) Population estimates are from Bureau of the Census.

(2) Beginning with fiscal year 1983 assessed valuation reflects 100% of the full and fair cash value.

(3) The Funding Loan Act of 1982 Bonds which were outstanding as of June 30, 1989, in the amount of \$30.2 million were redeemed in full on July 1, 1989.

City of Boston and County of Suffolk

Table 7

Computation of Legal Debt Margin  
June 30, 1990

Equalized Valuation as of January 1 (1)	\$ 38,328,146,000	
	2.5%	5.0%
Maximum debt limits as of July 1, 1989	\$ 958,203,650	\$ 1,916,407,300
Less: Debt outstanding June 30, 1989 (2)	184,990,874	184,990,874
Less: Debt authorized but unissued June 30, 1989 (3)	237,670,000	237,670,000
Add: Sinking Fund surplus for debt retirement	114,200	114,200
Debt incurring capacity July 1, 1989	535,656,976	1,493,860,626
Add: Debt redeemed during fiscal 1990	14,244,612	14,244,612
Less: Council orders approved during fiscal 1990	68,355,000	68,355,000
Add: City Council rescinded for fiscal 1990	4,020,000	4,020,000
Debt incurring capacity June 30, 1990	\$ 485,566,588	\$ 1,443,770,238

(1) Includes the value of Chapter 121A tax agreement properties.

(2) Does not include Bond Anticipation Notes totalling \$15,730,000; these notes are to be rolled over into revenue bonds during fiscal 1991.

(3) Includes \$15,730,000 in authorizations earmarked for fiscal 1991 revenue bonds.

The laws of the Commonwealth provide for general debt limit for the City consisting of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit is 2.5 % of the valuation of taxable property in the City as last equalized by the State Department of Revenue. The City may authorize debt up to this limit without State approval. The City may also authorize debt up to twice this amount (the Double Debt Limit) with the approval of the State Emergency Finance Board.

Table 8

Computation of Direct and Overlapping Bonded Debt  
General Obligation Bonds  
June 30, 1990

<u>Jurisdiction</u>	<u>Net Bonded Debt Outstanding</u>	<u>Percentage Applicable to Boston</u>	<u>Amount Applicable to Boston</u>
Direct Debt: (1)			
City of Boston	\$ 516,323,500	100.0 %	\$ 516,323,500
Overlapping Debt:			
Mass. Bay Transit Authority	177,523,000	42.1 %	74,808,192
Total Direct and Overlapping Debt			\$ <u>591,131,692</u>

- (1) Approximately \$78.9 million of the City's direct debt is deemed payable from State reimbursements, Sinking Funds, and contributions by the Boston Water and Sewer Commission.

Source: Massachusetts Bay Transit Authority and the City of Boston Auditing Department.

Table 9

Ratio of Annual Debt Service Expenditures for  
General Bonded Debt to Total General Fund Expenditures  
Last Ten Fiscal Years  
(In Thousands of \$)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total (1) General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
1981	\$ 44,300	\$ 32,495	\$ 76,795	\$ 620,337	12.4 %
1982	43,736	30,652	74,388	567,283	13.1
1983	45,521	29,775	75,296	673,079	11.2
1984	42,556	28,299	70,855	668,391	10.6
1985	45,116	31,162	76,278	708,647	10.8
1986	47,072	35,799	82,871	721,393	11.5
1987	48,624	37,357	85,981	818,984	10.5
1988	50,702	35,035	85,737	933,959	9.2
1989	67,872	33,061	100,933	988,481	10.2
1990	81,034	29,444	110,478	1,011,850	10.9

- (1) Includes General Fund expenditures only. Operating Transfers Out have been excluded from all years.

City of Boston and County of Suffolk

Table 10

Largest Taxpayers (1)

	<u>Personal Property</u>	<u>Real Property</u>	<u>Total Assessed Value</u>	<u>Fiscal 1989 Taxes</u>
Boston Edison Company (2)	\$ 417,474,000	\$ 520,735,012	\$ 938,209,012	\$ 22,423,195
John Hancock Mutual Life Insurance		625,839,516	625,839,516	14,644,404
Prudential Insurance (3)		780,186,520	780,186,520	8,867,411
Equitable Federal Street Realty Company		339,534,016	339,534,016	8,114,863
New England Telephone and Telegraph	181,022,100	151,749,504	332,771,604	7,953,241
Bertram A. Druker Trust		319,233,504	319,233,504	7,228,719
Harold Brown (4)		280,777,000	280,777,000	6,931,996
Olympia & York State Street Company		288,491,008	288,491,008	6,894,935
UIDC of Massachusetts, Inc.		281,979,488	281,979,488	6,739,310
Bostrose Associates		280,087,488	280,087,488	6,694,091
Clarence W. Peterson		257,435,008	257,435,008	6,152,697
Massport (5)		122,640,500	122,640,500	5,946,157
Equitable Life Assurance Company		212,215,496	212,215,496	5,071,950
Fort Hill Associates		193,859,008	193,859,008	4,633,230
Post Office Square Co. (6)		189,163,504	189,163,504	4,521,008
Federal Reserve Bank of Boston		169,971,504	169,971,504	4,062,319
Rose David, et al		167,124,496	167,124,496	3,994,275
Hexalon Real Estate, Inc.		157,347,504	157,347,504	3,760,605
75 Federal Street Associates		150,620,000	150,620,000	3,599,818
Faneuil Center Plaza Associates		134,857,000	134,857,000	3,223,083

- (1) This table is compiled through a literal search of the named owner or owners of all major property in the City. This methodology does not locate parcels owned by affiliates nor does it differentiate between levels of ownership in a particular parcel.
- (2) Total taxes are stated net of payments required by settlement of abatement litigation.
- (3) Includes \$8.9 million in-lieu-of tax payments received from a taxpayer constituted as an urban redevelopment corporation organized under Chapter 121A of the Massachusetts General Laws.
- (4) Includes \$300,000 in-lieu-of tax payments received from a taxpayer constituted as an urban redevelopment corporation organized under Chapter 121A of the Massachusetts General Laws.
- (5) This is an in-lieu-of tax payment, expressly permitted by statute and paid pursuant to a contract with the City.
- (6) Includes \$200,000 in-lieu-of tax payments received from a taxpayer constituted as an urban redevelopment corporation organized under Chapter 121A of the Massachusetts General Laws.

Source: City of Boston Assessing and Treasury Departments.

City of Boston and County of Suffolk

Table 11

Boston's Ten Largest Employers

Bank of Boston Corporation	John Hancock Mutual Life Insurance
Beth Israel Hospital	Massachusetts General Hospital
Boston University	Northeastern University
Brigham and Women's Hospital	Shawmut Corporation
FMR Corporation (Fidelity)	State Street Bank Corporation

The ten largest private sector employers in the City as of 1987, each with more than 4,000 workers.

Source: Boston Redevelopment Authority.

City of Boston and County Suffolk

Table-A

Comparative Cities Downtown Class A Office Markets  
Vacancy Rates, Average Rents, Total Inventory, and Vacant Space  
Mid-Year 1989  
(12 Largest Office Markets, Ranked By Vacancy Rate)

<u>Downtown</u>	<u>Vacancy Rate</u>	<u>Avg. Rent \$/s.f</u>	<u>Total Space (million s.f.)</u>	<u>Vacant Space (million s.f.)</u>
Washington	8.3 %	27.00	64	5.3
Philadelphia	13.0	24.50	35	4.5
Chicago	13.5	33.05	143	19.3
Boston	13.7	41.00	36	4.9
New York	15.1	47.05	140	21.1
San Francisco	15.3	24.50	35	5.4
Atlanta	16.3	21.34	25	4.1
Los Angeles	16.4	28.00	38	6.2
Pittsburgh	17.6	18.65	28	4.9
Houston	20.6	13.50	36	7.4
Dallas	23.8	18.73	30	7.1
Denver	28.2	10.00	25	7.0

Source: The Office Network, International Office Market Report, mid-year 1989.



City of Boston and County of Suffolk

Table-B

Boston Building Permit Revenues and  
Estimated Construction Activity  
Fiscal Years 1982 - 1990

Fiscal Year	Building Permit Revenues (1)	Estimated Construction Activity (2)	Est. Construction Activity Adjusted For Inflation (3)
1982	\$ 3,305,857	\$ 388,924,353	\$ 560,908,929
1983	5,196,160	611,312,941	842,335,968
1984	5,594,683	658,198,000	875,023,734
1985	7,435,576	874,773,647	1,117,081,840
1986	14,108,134	1,659,780,471	2,006,490,169
1987	13,504,134	1,588,721,647	1,885,393,927
1988	14,431,173	1,697,785,059	1,922,554,271
1989	11,423,439	1,343,934,000	1,416,860,651
1990	8,119,487	955,233,793	955,233,793
Total	<u>83,118,643</u>	<u>9,778,663,911</u>	<u>11,581,883,282</u>
Annual Average 1982-1990	9,235,405	1,086,518,212	1,286,875,920

- (1) Building permit revenues in current dollars.
- (2) Construction activity estimated by dividing permit revenues by .85% which is the midpoint between permit fees calculated at .7% of the first \$100,000 and 1% for the remainder.
- (3) Construction activity adjusted for inflation using CPI-U index from Bureau of Labor Statistics (Base 1982-84 = 100); to 1990 constant.

Source: Boston Redevelopment Authority

## City of Boston and County of Suffolk

Table-C

Industry Employment Trends and Projections in the City of Boston  
Selected Fiscal Years

<u>Industry</u>	<u>1980</u>	<u>1988</u>	<u>1989</u>	<u>% Change 1988-1989</u>	<u>1990</u>	<u>1995</u>	<u>% Change 1989-1995</u>
Fishing, Mining	908	1,469	1,402	-4.6%	1,300	1,300	-7.3%
Construction	11,443	15,848	15,308	-3.4%	14,500	15,100	-1.4%
Manufacturing	52,337	34,709	33,033	-4.8%	41,700	41,000	24.1%
Transportation/Comm./Utilities	37,496	37,413	36,443	-2.6%	37,300	39,000	7.0%
Retail and Wholesale Trade	87,036	85,693	85,574	-0.1%	93,500	96,500	12.8%
Finance/Insurance/Real Estate	73,782	95,097	88,821	-6.6%	93,900	100,900	13.6%
Services	200,650	260,809	266,140	2.0%	266,700	302,000	13.5%
Government	97,321	107,202	106,454	-0.7%	102,100	104,200	-2.1%
<b>Total</b>	<u>560,973</u>	<u>638,240</u>	<u>633,175</u>	<u>-0.8%</u>	<u>651,000</u>	<u>700,000</u>	<u>10.6%</u>

Source: Boston Redevelopment Authority and Massachusetts Department of Employment and Training.

City of Boston and County of Suffolk

Table-D

Annual Unemployment Rates

	Annual Unemployment Rates										
	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>October (1) (2)</u>	
City	7.0 %	9.1 %	7.8 %	5.5 %	4.6 %	4.4 %	3.2 %	3.4 %	3.9 %	3.9 %	5.5 %
Boston PMSA (3)	5.7	6.7	5.8	4.1	3.4	3.8	2.7	2.8	3.4	3.4	5.0
Massachusetts	6.4	7.9	6.9	4.8	3.9	3.8	3.2	3.3	4.0	4.0	5.9
New England	10.9	5.9	7.8	4.9	4.4	3.9	3.3	3.2	3.9	3.8	5.5
United States	7.6	9.7	9.6	7.1	7.2	7.0	6.2	5.5	5.3	5.3	5.5

(1) Monthly rates are not seasonally adjusted.

(2) New England data are as of October 1, 1989 and 1990.

(3) Primary Metropolitan Statistical Area.

Sources: U.S. Bureau of Labor Statistics and Massachusetts Division of Employment Security.

## City of Boston and County of Suffolk

Table-E

Direct Debt Outstanding  
Year Ended June 30, 1990  
(In Thousands of \$)

	Bonds Authorized/ Rescinded	Bonds Issued	Maturities Through	Balance June 30, 1990	
				Principal	Interest
<u>General Purpose</u>					
Auditorium	5,540,000	5,540,000	Nov 1995	950,000	85,519
Acquisition of Land, Parks & Playgrounds	32,240,000	17,110,000	May 2006	12,485,000	6,714,976
Automatic Traffic Control Signals	5,835,000	1,790,000	May 2006	1,150,000	639,313
Departmental Equipment	43,635,000	35,065,000	Feb 2000	15,205,626	4,783,921
New City Hall	24,490,000	24,490,000	Dec 1998	5,860,000	1,011,412
Economic Development Industrial Corp.	12,525,000	11,440,000	May 2006	8,864,810	5,036,933
Remodeling and Extraordinary Repairs	273,780,000	142,570,000	May 2006	88,094,566	55,722,692
Total General Purpose	398,045,000	238,005,000		132,610,002	73,994,766
<u>School Buildings</u>					
Capital Improvements, Acts of 1966	24,000,000	24,000,000	Dec 1999	5,420,000	1,311,676
Capital Improvements, Acts of 1973	14,750,000	14,625,000	May 2006	11,665,407	6,687,795
Construction of Buildings; Acq. of Land	7,000,000	7,000,000	Aug 1987	-	2
School Project Loan, Act of 1948	307,395,000	305,630,000	Feb 2010	102,924,467	35,563,991
Total School Buildings	353,145,000	351,255,000		120,009,874	43,563,464
<u>Other Public Buildings</u>					
Capital Improvements, Acts of 1966	89,560,000	89,060,000	Dec 1999	18,950,000	3,450,145
Capital Improvements, Acts of 1973	97,630,000	71,755,000	Feb 2010	43,779,500	25,776,670
Construction of Buildings; Acq. of Land	70,729,892	46,309,892	Feb 2010	17,791,686	9,288,761
Hospital Improvement Loan Act of 1970	15,000,000	15,000,000	Jun 1992	2,250,000	238,500
Total Other Public Buildings	272,919,892	222,124,892		82,771,186	38,754,076
<u>Public Works</u>					
Bridges	21,500,000	11,225,000	Feb 2009	6,016,643	3,463,847
Public Ways	104,649,964	74,209,964	Feb 2010	29,158,547	17,902,649
Sideways	21,685,000	12,785,000	May 2006	7,608,807	4,237,278
Street Lighting	26,160,000	19,995,000	Feb 2005	6,040,000	1,593,088
Total Public Works	173,994,964	118,214,964		48,823,997	27,196,862
<u>Other</u>					
Urban Redevelopment & Relocation	169,035,000	161,730,000	Feb 2010	71,240,128	33,330,177
Parking Facilities	30,350,000	30,350,000	Aug 2002	10,739,813	4,705,506
Water Mains and Meters	8,250,000	8,250,000	Mar 1996	1,175,000	240,708
Sewerage Loan	10,350,000	10,350,000	Dec 1999	1,440,000	378,714
Funding Loan Act of 1982 *	45,000,000	45,000,000	Jul 1992	30,200,000	6,072,500
Rapid Transit Debt	N/A	N/A	Dec 1995	7,493,500	865,904
Total Other	262,985,000	255,680,000		122,288,441	45,593,509
Total All Categories	1,461,089,856	1,185,279,856		506,503,500	229,102,677

\* The balance of the City of Boston's Funding Loan bonds were called during fiscal 1990.

**Table-E (Continued)**  
**Direct Debt Outstanding**  
**Year Ended June 30, 1990**  
(In Thousands of \$)

Issued Fiscal 1990		Payments Fiscal 1990		Balance June 30, 1990	
Principal	Interest	Principal	Interest	Principal	Interest
-	-	185,000	28,338	765,000	57,181
3,650,000	2,361,635	915,000	826,750	15,220,000	8,249,861
-	-	90,000	79,310	1,060,000	560,003
3,950,000	1,191,143	2,621,720	1,029,712	16,533,906	4,945,352
-	-	780,000	235,025	5,080,000	776,387
-	-	640,547	656,265	8,224,263	4,380,668
32,255,000	19,842,076	3,974,193	6,409,070	116,375,373	69,155,698
39,855,000	23,394,854	9,206,460	9,264,470	163,258,542	88,125,150
-	-	1,035,000	302,626	4,385,000	1,009,050
-	-	801,110	882,627	10,864,297	5,805,168
-	-	-	-	-	2
15,000,000	11,911,677	14,709,278	7,305,535	103,215,189	40,170,133
15,000,000	11,911,677	16,545,388	8,490,788	118,464,486	46,984,353
-	-	4,320,000	1,105,618	14,630,000	2,344,527
11,305,000	9,128,918	3,252,311	3,145,644	51,832,189	31,759,944
3,035,000	2,260,542	1,879,910	1,354,877	18,946,776	10,194,426
-	-	750,000	119,250	1,500,000	119,250
14,340,000	11,389,460	10,202,221	5,725,389	86,908,965	44,418,147
1,050,000	859,253	532,737	412,392	6,533,906	3,910,708
16,265,000	11,519,779	2,262,570	2,244,841	43,160,977	27,177,587
1,560,000	632,396	558,482	556,808	8,610,325	4,312,866
1,085,000	643,783	1,150,000	428,048	5,975,000	1,808,823
19,960,000	13,655,211	4,503,789	3,642,089	64,280,208	37,209,984
845,000	664,893	7,794,926	5,196,964	64,290,202	28,798,106
-	-	1,137,216	811,120	9,602,597	3,894,386
-	-	330,000	81,521	845,000	159,187
-	-	260,000	92,700	1,180,000	286,014
-	-	30,200,000	1,402,250	-	-
-	-	-	203,479	7,493,500	662,425
845,000	664,893	39,722,142	7,788,034	83,411,299	33,800,118
90,000,000	61,016,095	80,180,000	34,910,770	516,323,500	250,537,752

City of Boston and County of Suffolk

Table-F

Authorized and Unissued Debt  
Year Ended June 30, 1990

Balance June 30, 1989	\$ 308,510,000	
Add: City Council Authorizations (a)	<u>69,170,000</u>	\$ 377,680,000
Less: Bonds Issued	90,000,000	
Less: Authorizations Rescinded (a)	<u>11,870,000</u>	
		101,870,000
Balance June 30, 1990		<u>\$ 275,810,000</u>

(a). City Council Authorizations (Rescissions):

<u>Purpose</u>	<u>Effective Date</u>	<u>Amount</u>	<u>Authorization</u>
Acquisition of Land; Parks & Playgrounds	6/27/90	\$ 2,820,000	C44 s7 (25)
Departmental Equipment for Various Departments	6/27/90	1,865,000	C44 s7 (9)
Remodeling and Extraordinary Repairs to Public Buildings	6/27/90	40,425,000	C44 s7 (3a)
Construction of Public Buildings for Various Departments	6/27/90	2,575,000	C44 s7 (3)
Construction or Reconstruction of Bridges	6/27/90	245,000	C44 s7 (4)
Construction of Public Ways; Repairing and Resurfacing	6/27/90	4,240,000	C44 s7 (6)
Construction of Public Ways; Extension or Widening	6/27/90	10,200,000	C44 s7 (5)
Construction of Sidewalks	6/27/90	2,040,000	C44 s7 (6)
Public Lighting Installation; Extension and Improvements	6/27/90	3,945,000	C44 s7 (14)
Capital Improvements Act of 1973	6/27/90	815,000	C642 s7A Act '6 C1030 Act '73 s4
School Project Loan - Act of 1948	11/28/89	(355,000)	C645 Act 1948
Remodeling and Extraordinary Repairs - City Hall	11/28/89	(2,150,000)	C44 s7 (3a)
Urban Renewal	11/28/89	(7,495,000)	C121B s20
Remodeling and Extraordinary Repairs - City Buildings	11/28/89	<u>(1,870,000)</u>	C645 Act of 1948
Net Authorizations During Fiscal 1990		<u>\$ 57,300,000</u>	

City of Boston and County of Suffolk

Table-G

State-Boston Retirement System  
Required Supplementary Information  
Revenues by Source and Expenses by Type  
(In Thousands of \$)

Year Ended June 30 (1)	Revenues by Source				Total
	Employee Contributions	Employer Contributions	Investment Income	Other Income (2)	
1981	22,213	86,492	23,369	256	132,330
1982	24,566	88,777	28,319	77	141,739
1983	26,130	89,163	80,359	5,119	200,771
1984	25,529	113,443	2,893	4,925	146,790
1985	28,461	123,466	93,867	6,029	251,823
1986	31,017	116,069	134,065	1,233	282,384
1987	34,961	122,742	55,593	27,628	240,924
1988	39,197	132,302	(6,495)	12,863	177,867
1989	44,686	128,830	111,933	24,543	309,992
1990	48,948	122,203	65,532	19,639	256,322

Year Ended June 30 (1)	Expenses by Type				Total
	Benefits	Administrative Expenses (3)	Refunds	Other Expenses	
1981	96,972	1,012	12,957	4,756	115,697
1982	99,344	1,294	15,738	11,584	127,960
1983	114,782	1,382	8,860	727	125,751
1984	114,598	1,657	6,661	8,790	131,706
1985	119,603	1,376	8,830	2,596	132,405
1986	127,096	1,298	8,766	1,704	138,864
1987	133,859	1,286	11,634	3,224	150,003
1988	140,277	3,133	5,670	7,856	156,936
1989	145,968	3,335	5,796	4,330	159,429
1990	153,832	4,070	10,585	4,320	172,807

(1) Except for year 1981 which is as of December 31.

(2) Includes reimbursements from the Commonwealth of Massachusetts for cost-of-living adjustments.

(3) Includes investment management fees.

Source: City of Boston State-Boston Retirement System.

City of Boston and County of Suffolk

Table-H

State-Boston Retirement System  
Required Supplementary Information  
Analysis of Funding Progress  
(In Millions of \$)

<u>Year</u>	<u>Net Assets (1) Available for Benefits</u>	<u>Pension Benefit Obligation</u>	<u>Percentage Funded</u>	<u>Unfunded Pension Benefit Obligation</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Pension Benefit Obligation as a Percentage of Annual Payroll</u>
1988	748	1,851	40%	1,103	513	215%
1989	899	2,027	44%	1,128	636	177%
1990	983	2,154	46%	1,172	636	184%

(1) The investment portfolio is regulated by the Massachusetts General Laws, Chapter 32, Section 2. Investments are presented at fair market value and managed by independent investment advisors.

Note. Statement No. 5 of the Governmental Accounting Standards Board (GASB No.5) requires ten year historical information, if available. Such information is not available on the basis prescribed by GASB No. 5 prior to 1988.

Source: City of Boston State-Boston Retirement System.



City of Boston and County of Suffolk

Table-I

Number of City and County Employees by Department  
As of February 1, Last Five Years

<u>Department</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Mayor's Office	22	25	25	24	22
Arts and Humanities	-	-	5	6	6
Board of Rent Appeal	-	4	-	-	-
Business and Cultural Affairs	12	15	16	13	12
Capital Planning	3	6	10	11	11
Commission on the Handicapped	3	3	5	5	6
Community Services Administration	7	-	-	-	-
Consumer Affairs	9	15	18	20	13
Elderly Commission	82	80	88	85	73
E.D.I.C.	5	-	-	-	-
Human Rights Commission	-	4	3	6	6
Neighborhood Services	-	41	44	44	38
Office of Community Transportation	-	11	-	-	-
Office of Constituent Services	15	-	-	-	-
Office of Licensing	2	-	-	-	-
Press Office	-	4	6	4	5
Rent Equity Board	-	50	47	45	39
Women's Commission	2	2	2	3	3
Office of Public Information	4	-	-	-	-
Office of Policy Management/Cable	8	12	-	-	-
Emergency Shelters Commission	2	3	5	5	5
City Council	14	14	14	13	13
City Council Officers and Employees	54	50	54	71	70
Administrative Services Department:					
Administrative Division	16	-	-	-	-
Budget and Program Evaluation	-	47	46	48	43
Cable and Telecommunications	23	10	10	10	10
Contract Management	-	-	5	6	5
Hospitalization and Insurance	19	16	19	16	16
Intergovernmental Relations				11	9
Labor Relations	8	9	7	8	8
Management Information Systems	71	82	99	98	95
Personnel Management	34	41	46	47	45

City of Boston and County of Suffolk

Table-I

Number of City and County Employees by Department  
As of February 1, Last Five Years

<u>Department</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Administrative Services Department: (cont'd)					
Printing Division	58	54	56	57	54
Purchasing Division	24	28	31	34	26
Assessing Department	186	165	166	152	135
Auditing Department	43	46	49	50	48
Boston Retirement Board	39	41	41	43	41
Boston Traffic Department	241	324	383	359	342
Parking Clerk	52	50	52	57	57
City Clerk Department	11	14	15	16	15
Registry Division	19	29	28	32	28
Community Schools Administration	131	230	353	283	307
Election Department	50	50	53	50	44
Listing Board	135	238	130	135	193
Fair Housing Commission	8	7	7	6	6
Finance Board	4	4	4	4	4
Fire Department	1,725	1,790	1,844	1,767	1,806
Hospital Department:					
Hospital Division	3,116	3,085	3,060	3,070	2,895
Long Island Hospital Division	401	405	413	428	389
Sanitorium Division	404	369	363	365	337
Housing Inspection Department:					
Inspectional Services	227	275	281	260	249
Law Department	58	55	50	50	47
Workmen's Compensation Service	10	11	11	11	9
Library Department	660	653	673	661	695
Licensing Board	13	12	13	13	11
Parks and Recreation Department	255	188	242	265	242
Cemetery Division	33	28	40	39	29
Police Department	2,388	2,461	2,723	2,584	2,711
Public Facilities Department	225	287	309	339	307
Public Works Department:					
Bridge Service	41	-	33	52	43
Central Office	-	-	28	30	28
Engineering	24	98	96	105	105

City of Boston and County of Suffolk

Table-I

Number of City and County Employees by Department  
As of February 1, Last Five Years

<u>Department</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Public Works Department: (cont'd)					
Frontage Road	-	182	238	220	228
Highway Service	213	325	209	220	223
Incinerator	92	6	6	6	6
Real Property Department:					
Buildings Division	-	20	-	-	-
County	-	-	19	-	-
Environmental Division	15	15	14	15	15
Public Improvements	-	-	-	-	-
Real Property Division	117	112	123	114	97
Real Property - Property	15	16	18	17	17
School Department	8,323	8,534	8,689	8,579	8,307
Treasury:					
Collecting Division	26	33	37	39	37
Treasury Division	30	32	33	31	31
Veterans Service Department	23	23	22	22	19
Veterans Graves Registration	3	3	3	3	2
County of Suffolk Total	622	664	710	481	614
Total	20,475	21,506	22,242	21,663	21,352

As required under the provisions of Chapter 486, Section 27.

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## Single Audit Section



## SINGLE AUDIT SECTION

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**INDEPENDENT AUDITORS' REPORT ON**  
**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

To the Honorable Mayor and City Council  
City of Boston, Massachusetts:

We have audited the general purpose financial statements of the City of Boston, Massachusetts, for the year ended June 30, 1990, and have issued our report thereon dated December 21, 1990. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The general purpose financial statements of the City of Boston, Massachusetts, include various component units which have separate audits conducted under the Single Audit Act of 1984. The scope of our audit with respect to the Single Audit Act of 1984 and therefore our report, thereon, refers to the City of Boston, Massachusetts, exclusive of all component units.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the City of Boston, Massachusetts, taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



December 21, 1990



# CITY OF BOSTON, MASSACHUSETTS

## Schedule of Federal Financial Assistance

Year ended June 30, 1990

<u>Federal Grantor/Pass Through Grantor Program Title</u>	<u>CFDA Number</u>	<u>1990 Expenditures</u>
<u>U.S. Department of Agriculture</u>		
Passed through State Department of Education:		
Food Distribution	10.550	\$ 775,175
School Breakfast and National School Lunch Program (includes state and local expendi- tures of \$5,200,926)	10.553/10.555*	13,575,137
Summer Food Service Program for Children	10.559	866,556
Total U.S. Department of Agriculture		<u>15,216,868</u>
<u>U.S. Department of Health and Human Services</u>		
Direct Programs:		
Acquired Immunodeficiency Syndrome (AIDS)	13.118	249,220
Drug and Alcohol Abuse Prevention - High-Risk Demonstration Grants	13.144	3,535
Drug Abuse Prevention and Education Relating to Gangs	13.660	377,197
Passed through State Department of Elderly Affairs:		
Special Programs for the Aging - Title III	13.633	<u>267,112</u>
Total U.S. Department of Health and Human Services		<u>897,064</u>
<u>U.S. Department of Housing and Urban Development</u>		
Direct Programs:		
Community Development Block Grant - Entitlement	14.218*	32,452,234
Urban Development Action Grant	14.221	2,027,687
Homesteading Program	14.222	-
Rental Housing Rehabilitation	14.230	2,350,148
Fair Housing Assistance Programs	14.401	64,982
Total U.S. Department of Housing and Urban Development		<u>36,895,051</u>
<u>U.S. Department of Justice</u>		
Direct Program:		
Criminal Justice Discretionary Grant	16.574	<u>373,207</u>

See accompanying notes to schedule of federal financial assistance.

\* Major program.



# CITY OF BOSTON, MASSACHUSETTS

## Schedule of Federal Financial Assistance

Year ended June 30, 1990

<u>Federal Grantor/Pass Through Grantor Program Title</u>	<u>CFDA Number</u>	<u>1990 Expenditures</u>
<u>U.S. Department of Labor</u>		
Passed through State Executive Office of Economic Affairs:		
Senior Community Service Employment Program	17.235	\$ 249,631
Employment and Training Assistance -		
Dislocated Workers	17.246	20,518
Job Training Partnership Act	17.250*	<u>4,510,101</u>
Total U.S. Department of Labor		<u>4,780,250</u>
<u>National Science Foundation</u>		
Direct Program:		
Teacher Preparation and Enhancement	47.066	156,990
<u>Action</u>		
Direct Programs:		
Retired Senior Volunteer Program	72.002	77,931
Senior Companion Program	72.008	<u>82,838</u>
Total U.S. Department of the Treasury		<u>160,769</u>
<u>U.S. Department of Energy</u>		
Passed through State Department of Energy:		
Energy Conservation	81.041	35,343
Conservation for Instructional Buildings	81.052	<u>58,702</u>
Total U.S. Department of Energy		<u>94,045</u>
<u>U.S. Department of Education</u>		
Passed through State Department of Education:		
Bilingual Education	84.003	968,845
Education of Handicapped Children	84.009	547,359
Educationally Deprived Children - Chapter 1	84.010*	15,151,756
Assistance for Education of Handicapped Children	84.027*	2,579,705
Vocational Education	84.048	1,145,246
Transition Program for Refugee Children	84.146	451,427
Improving School Programs - Chapter 2	84.151	1,035,762
Emergency Immigrant Education Assistance	84.162	10,736
State Grants for Strengthening the Skills of Teachers	84.164	384,277
Magnet Schools Assistance	84.165	1,984,202
Excellence in Education	84.171	763
Handicapped - Pre-School Incentive Grants	84.173	95,555
National Program for Drug-Free Schools and Communities	84.184	290,889
School Dropout Demonstration Assistance	84.201	<u>485,259</u>
Total Passed Through State Department of Education		<u>25,131,781</u>

See accompanying notes to schedule of federal financial assistance.

\* Major program.



# CITY OF BOSTON, MASSACHUSETTS

## Schedule of Federal Financial Assistance

Year ended June 30, 1990

<u>Federal Grantor/Pass Through Grantor Program Title</u>	<u>CFDA Number</u>	<u>1990 Expenditures</u>
<u>U.S. Department of Education</u>		
Direct Programs:		
School Assistance in Federally Affected Areas	84.041*	2,693,136
Indian Education	84.060	40,718
Women's Educational Equity	84.083	118,959
National Program for Mathematics and Science Education	84.168	<u>96,416</u>
Total Direct Programs		<u>2,949,229</u>
Total U.S. Department of Education		<u>28,081,010</u>
Total Federal Financial Assistance (note 2)		<u>\$ 86,655,254</u>

See accompanying notes to schedule of federal financial assistance.





# **CITY OF BOSTON, MASSACHUSETTS**

## **Notes to schedule of federal financial assistance**

**Year ended June 30, 1990**

### **(1) Definition of Reporting Entity**

The general purpose financial statements of the City of Boston, Massachusetts, include various component units which have separate single audits conducted under the Single Audit Act of 1984. The accompanying schedule of federal financial assistance presents the activity of federal financial assistance programs of the City of Boston, Massachusetts, exclusive of component units.

All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included on the schedule.

### **(2) Summary of Significant Accounting Policies**

The accounting and reporting policies of the City of Boston, Massachusetts, are set forth below:

#### **(a) Basis of Presentation**

The accompanying schedule of federal financial assistance is presented using the modified accrual basis of accounting.

#### **(b) National School Lunch and School Breakfast Programs**

The City accounts for local, state and federal expenditures of the National School Lunch and School Breakfast programs in one combined fund. Program expenditures in the accompanying schedule of federal financial assistance represent total expenditures for meals provided during 1990. The amount of Federal reimbursement was \$8,374,211.

#### **(c) Food Distribution Program**

Non-cash contributions of commodities under the Food Distribution program are received under a State distribution formula and are valued at federally published wholesale prices for purposes of this schedule. Such commodities are not recorded in the financial records although memorandum records are maintained.



**INDEPENDENT AUDITORS' COMPLIANCE REPORT BASED ON AN AUDIT  
OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and City Council  
City of Boston, Massachusetts:

We have audited the general purpose financial statements of the City of Boston, Massachusetts, for the year ended June 30, 1990, and have issued our report thereon dated December 21, 1990.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the City of Boston, Massachusetts, is the responsibility of the City's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

The general purpose financial statements of the City of Boston, Massachusetts, include various component units which have separate single audits conducted under the Single Audit Act of 1984. The scope of our audit with respect to the Single Audit Act of 1984 and therefore our report, thereon, refers to the City of Boston, Massachusetts, exclusive of all component units.

The results of our tests indicate that, with respect to the items tested, the City of Boston, Massachusetts, complied, in all material respects, with the provisions referred to in the third paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City had not complied, in all material respects, with those provisions.

This report is intended solely for the use of City officials and federal and state agencies that have provided federal financial assistance to the City of Boston, Massachusetts, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which upon acceptance by the City of Boston, Massachusetts is a matter of public record.



December 21, 1990





Peat Marwick

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**INDEPENDENT AUDITORS' SINGLE AUDIT OPINION ON COMPLIANCE**  
**WITH**  
**SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL**  
**FINANCIAL ASSISTANCE PROGRAMS**

To the Honorable Mayor and City Council  
City of Boston, Massachusetts:

We have audited the City of Boston, Massachusetts' compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; amounts claimed or used for matching and the special tests and provisions noted below, that are applicable to each of its major federal financial assistance programs. These major programs are identified in the accompanying schedule of federal financial assistance, for the year ended June 30, 1990:

<u>Program Name (Procedures)</u>	<u>Federal CFDA Number</u>
School Breakfast and National School Lunch Program	10.553 and 10.555
None required	
Community Development Block Grant - Entitlement	14.218
Receipt of HUD approval prior to program funds being obligated or expended Fiscal and program monitoring of subrecipients Relocation assistance	
Job Training Partnership Act	17.250
Fiscal and program monitoring of subrecipients	
Educationally Deprived Children - Chapter 1	84.010
Services in Chapter 1 areas, supplemented by state and local funds, must be comparable to services in Non-Chapter 1 areas	
Chapter 1 project must be based on an annual assessment of educational needs	





To the Honorable Mayor and City Council  
City of Boston, Massachusetts

Services must be provided to educationally deprived  
children residing in a project area who are enrolled  
in private elementary and secondary schools

Assistance for Education of Handicapped Children 84.027

None required

School Assistance in Federally Affected Areas 84.041

None required

The management of the City of Boston, Massachusetts, is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The general purpose financial statements of the City of Boston, Massachusetts, include various component units which have separate single audits conducted under the Single Audit Act of 1984. The scope of our audit with respect to the Single Audit Act of 1984 and therefore our report, thereon, refers to the City of Boston, Massachusetts, exclusive of all component units.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying schedule of findings and questioned costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the City of Boston, Massachusetts, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; amounts claimed or used for matching and the special tests and provisions noted in the first paragraph, that are applicable to each of its major federal financial assistance programs.

*KPMG Peat Marwick*

December 21, 1990





**INDEPENDENT AUDITORS' SINGLE AUDIT REPORT ON COMPLIANCE**  
**WITH THE**  
**GENERAL REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL**  
**ASSISTANCE PROGRAMS**

To the Honorable Mayor and City Council  
City of Boston, Massachusetts:

We have applied procedures to test the City of Boston, Massachusetts' compliance with the following requirements applicable to each of its major federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended June 30, 1990: political activity, Davis-Bacon Act, civil rights, cash management, relocation assistance and real property management, federal financial reports and drug-free workplace.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

The general purpose financial statements of the City of Boston, Massachusetts, include various component units which have separate single audits conducted under the Single Audit Act of 1984. The scope of our audit with respect to the Single Audit Act of 1984 and therefore our report, thereon, refers to the City of Boston, Massachusetts, exclusive of all component units.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the first paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Boston, Massachusetts, had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying schedule of findings and questioned costs.

This report is intended solely for the use of City officials and federal and state agencies that have provided federal financial assistance to the City of Boston, Massachusetts, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City of Boston, Massachusetts, is a matter of public record.

*KPMG Peat Marwick*

December 21, 1990



**INDEPENDENT AUDITORS' SINGLE AUDIT REPORT ON COMPLIANCE**  
**WITH**  
**REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL**  
**ASSISTANCE PROGRAM TRANSACTIONS**

To the Honorable Mayor and City Council  
City of Boston, Massachusetts:

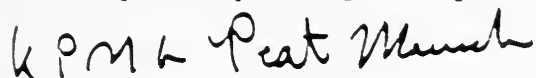
In connection with our audit of the 1990 general purpose financial statements of the City of Boston, Massachusetts, and with our study and evaluation of the City's internal control systems used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1990.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; and all other special tests and provisions that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City's compliance with these requirements. Accordingly, we do not express such an opinion.

The general purpose financial statements of the City of Boston, Massachusetts, include various component units which have separate single audits conducted under the Single Audit Act of 1984. The scope of our audit with respect to the Single Audit Act of 1984 and therefore our report, thereon, refers to the City of Boston, Massachusetts, exclusive of all component units.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Boston, Massachusetts, had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying schedule of findings and questioned costs.

This report is intended solely for the use of City officials and federal and state agencies that have provided federal financial assistance to the City of Boston, Massachusetts, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City of Boston, Massachusetts, is a matter of public record.



December 21, 1990



**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL  
STRUCTURE  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and City Council  
City of Boston, Massachusetts:

We have audited the general purpose financial statements of City of Boston, Massachusetts, as of and for the year ended June 30, 1990 and have issued our report thereon dated December 21, 1990.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of City of Boston, Massachusetts, for the year ended June 30, 1990, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of City of Boston, Massachusetts, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

The general purpose financial statements of the City of Boston, Massachusetts, include various component units which have separate single audits conducted under the Single Audit Act of 1984. The scope of our audit with respect to the Single Audit Act of 1984 and therefore our report, thereon, refers to the City of Boston, Massachusetts, exclusive of all component units.



To the Honorable Mayor and City Council  
City of Boston, Massachusetts

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

Revenue/receipts  
Purchasing/disbursements  
Payroll

Our consideration of the internal control structure included all of the control categories listed above. The purpose of our consideration of the internal control structure was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the general purpose financial statements.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the City of Boston, Massachusetts in a separate letter.

This report is intended solely for the use of City officials and federal and state agencies that have provided federal financial assistance to the City of Boston, Massachusetts, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City of Boston, Massachusetts, is a matter of public record.

*KPMG Peat Marwick*

December 21, 1990





**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROLS**  
**(ACCOUNTING AND ADMINISTRATIVE) - BASED ON A STUDY AND**  
**EVALUATION**  
**MADE AS PART OF AN AUDIT OF THE GENERAL PURPOSE FINANCIAL**  
**STATEMENTS AND THE ADDITIONAL TESTS REQUIRED BY THE SINGLE**  
**AUDIT ACT**

To the Honorable Mayor and City Council  
City of Boston, Massachusetts:

We have audited the general purpose financial statements of the City of Boston, Massachusetts, for the year ended June 30, 1990, and have issued our report thereon dated December 21, 1990. As part of our audit, we made a study and evaluation of the internal control systems, including applicable internal administrative controls, used in administering federal financial assistance programs to the extent we considered necessary to evaluate the systems as required by generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, the Single Audit Act of 1984, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments."

For the purpose of this report, we have classified the significant internal accounting and administrative controls used in administering federal financial assistance programs in the following categories:

**Accounting Controls**

- Revenue/receipts
- Purchases/disbursements
- Payroll

**Administrative Controls**

**General Requirements:**

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Relocation assistance and real property acquisition
- Federal financial reports
- Drug-free workplace

**Specific Requirements:**

- Types of services
- Eligibility
- Matching level of effort
- Reporting
- Cost allocation
- Monitoring subrecipients
- Special requirements



To the Honorable Mayor and City Council  
City of Boston, Massachusetts

The management of the City of Boston, Massachusetts, is responsible for establishing and maintaining internal control systems used in administering federal financial assistance programs. In fulfilling that responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of internal control systems used in administering federal financial assistance programs are to provide management with reasonable, but not absolute, assurance that, with respect to federal financial assistance programs, resource use is consistent with laws, regulations, and policies; resources are safeguarded against waste, loss, and misuse; and reliable data are obtained, maintained, and fairly disclosed in reports.

The general purpose financial statements of the City of Boston, Massachusetts, include various component units which have separate single audits conducted under the Single Audit Act of 1984. The scope of our audit with respect to the Single Audit Act of 1984 and therefore our report, thereon, refers to the City of Boston, Massachusetts, exclusive of all component units.

Because of inherent limitations in any system of internal accounting and administrative controls used in administering federal financial assistance programs, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the systems to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study included all of the applicable control categories listed above. During the year ended June 30, 1990, the City of Boston, Massachusetts, expended 79% of its total federal financial assistance under major federal financial assistance programs. With respect to internal control systems used in administering major federal financial assistance programs, our study and evaluation included considering the types of errors and irregularities that could occur, determining the internal control procedures that should prevent or detect such errors and irregularities, determining whether the necessary procedures are prescribed and are being followed satisfactorily, and evaluating any weaknesses.

With respect to the internal control systems used solely in administering the nonmajor federal financial assistance programs of the City of Boston, Massachusetts, our study and evaluation was limited to a preliminary review of the systems to obtain an understanding of the control environment and the flow of transactions through the accounting system. Our study and evaluation of the internal control systems used solely in administering the nonmajor federal financial assistance programs in the City of Boston, Massachusetts, did not extend beyond this preliminary review phase.



To the Honorable Mayor and City Council  
City of Boston, Massachusetts

Our study and evaluation was more limited than would be necessary to express an opinion on the internal control systems used in administering the federal financial assistance programs of the City of Boston, Massachusetts. Accordingly, we do not express an opinion on the internal control systems used in administering the federal financial assistance programs of the City of Boston, Massachusetts. Further, we do not express an opinion on the internal control systems used in administering the major federal financial assistance programs of the City of Boston, Massachusetts.

Also, our audit, made in accordance with the standards mentioned above, would not necessarily disclose material weaknesses in the internal control systems used solely in administering nonmajor federal financial assistance programs.

However, our study and evaluation and our audit disclosed no condition that we believe to be a material weakness in relation to a federal financial assistance program of the City of Boston, Massachusetts.

Although our audit disclosed no condition that we believe to be a material weakness in relation to a federal financial assistance program, we did note other matters involving the internal control structure and its operation that we have reported to the management of the City of Boston, Massachusetts, in a separate letter.

This report is intended solely for the use of City officials and federal and state agencies that have provided federal financial assistance to the City of Boston, Massachusetts and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City of Boston, Massachusetts, is a matter of public record.

*KPMG Peat Marwick*

December 21, 1990















